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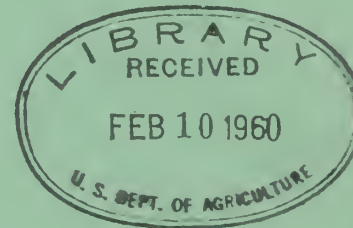
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# MOVING AGRICULTURAL SURPLUSES *into* CONSUMPTION



U. S. DEPARTMENT OF AGRICULTURE  
Commodity Stabilization Service  
Office of the General Sales Manager

JANUARY 1960







# MOVING AGRICULTURAL SURPLUSES *into* CONSUMPTION

965631

## FOREWORD

Agricultural production has become so efficient in the United States that it now takes only 12 percent of the population to produce sufficient fiber to meet its needs, one of the world's finest diets for its people, and still leave surpluses to spare. By contrast, it takes 50 percent of the people in the Soviet Union to produce a less varied though adequate diet, and 85 percent of the population of India to produce a diet at subsistence level.

Paradoxical though it may seem, whereas many other countries are struggling with problems of scarcity, the U.S. is concerned with a bountiful agricultural production.

This booklet shows in graphic form how the Commodity Credit Corporation is moving agricultural commodities acquired under the price support program into consumption channels both at home and abroad. Between June 30, 1953, and September 30, 1959, more than \$17 billion worth of commodities were moved from CCC inventories through various sales and disposition programs. Results of these programs are highlighted in subsequent pages.

In spite of all efforts, CCC's total price support investment reached \$8.7 billion as of September 30, 1959. The bulk of this, \$6.3 billion, represented commodities in CCC inventory and the

balance, \$2.4 billion, covered the total value of commodities pledged for loans.

CCC is continuing to emphasize sales for dollars. Of the \$17 billion worth of commodities (cost value) moved out of inventory during the period June 30, 1953, through September 30, 1959, dollar sales accounted for approximately \$9 billion or nearly 53 percent. The balance represents the value of commodities moved through other important programs such as sales for foreign currencies, barter, transfers to other Government agencies, donations, and of more recent importance payment-in-kind (PIK) redemptions. CCC is constantly trying to develop more effective export programs. This is important because although most nations are trying to increase agricultural production, the U.S. faces strong competition in foreign markets from a few countries which also have surpluses of the same agricultural commodities.

Until May 12, 1958, CCC sold the bulk of its commodities for export on competitive bid. Since that time, CCC has developed payment-in-kind programs for corn (May 12, 1958), barley, oats, grain sorghums, and rye (July 1, 1958), rice (December 15, 1958), and cotton (May 29, 1959). The payment-in-kind program for wheat has been in effect since September 4, 1956.



These programs are designed to encourage exports from commercial supplies instead of from CCC inventories, thus placing the merchandising functions in the hands of the private trade. Certificates at the applicable subsidy rates redeemable in commodities from CCC stocks are issued to U.S. exporters upon proof of export of commodities obtained from private stocks. Exporters thus move commodities from the farm into export through commercial trade channels, rather than through the Commodity Credit Corporation. The cotton PIK program works somewhat differently and is explained on page 30.

Subsidy rates determined by the Office of the General Sales Manager reflect the amounts necessary to make U.S. PIK commodities competitive in foreign markets with crops produced in other countries. The rates are kept under constant review so as not to exceed the gap between higher domestic prices and lower prices of the crops of competing nations in foreign markets. Since under the PIK programs CCC no longer sells PIK commodities for export from its inventories except for credit, barter, and unusual circumstances as determined by the Executive Vice President of CCC, CCC sales of these commodities for export have been markedly reduced. This was expected, and the shift from CCC export sales to PIK programs is viewed as largely off-setting since the PIK programs reduce CCC acquisitions from the larger amounts CCC would have acquired if the programs

had not been inaugurated. See page 19 for a diagrammatic sketch explaining how feed grains are moved into consumption under PIK programs.

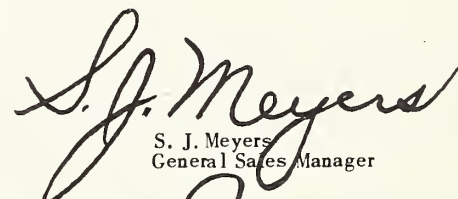
How U.S. price support commodities are being channeled into consumption and some of the effects of CCC sales and disposition programs, particularly with regard to CCC inventories, are shown in the following sections of the booklet.

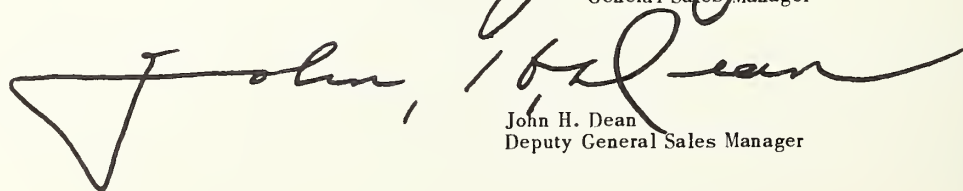
Section I deals with CCC's price support inventory position from June 30, 1953, through September 30, 1959, in relation to total U.S. production by crop year.

Sales and dispositions of CCC commodities by program are illustrated in Section II.

Section III explains the payment-in-kind program for cotton, the relationships between PIK certificates earned, issued, and redeemed, and shows how subsidy rates equalize price relationships between domestic and foreign markets thus promoting fair competition in export markets.

Section IV deals with commodities which are still sold for export on competitive bid. Some examples are, tung oil, flaxseed and Gum Rosin.

  
S. J. Meyers  
General Sales Manager

  
John H. Dean  
Deputy General Sales Manager



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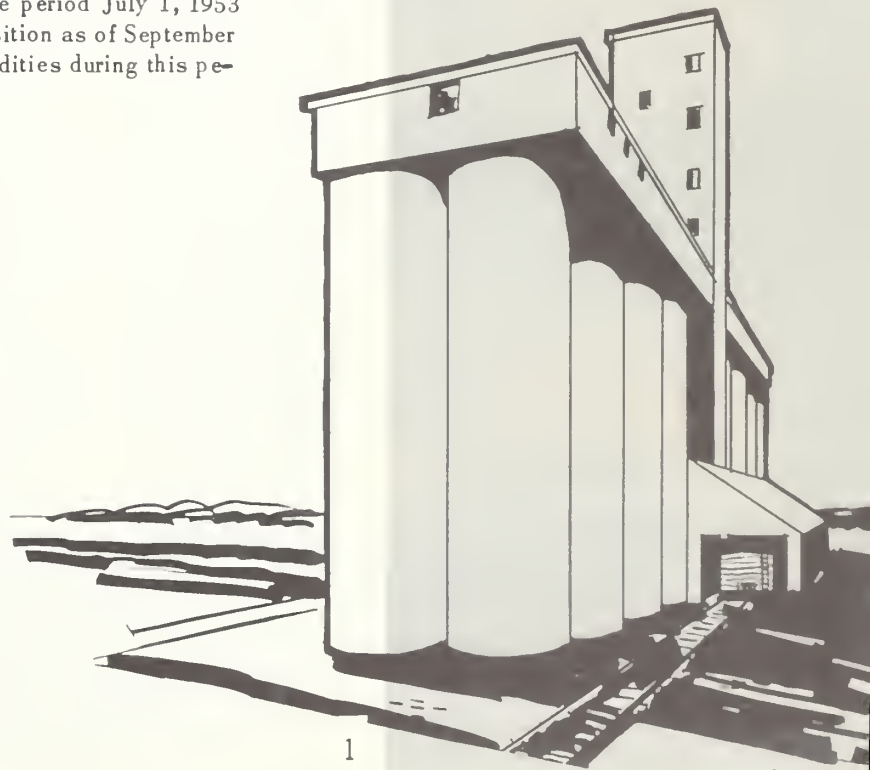
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# PRICE SUPPORT INVENTORY POSITION

## SECTION

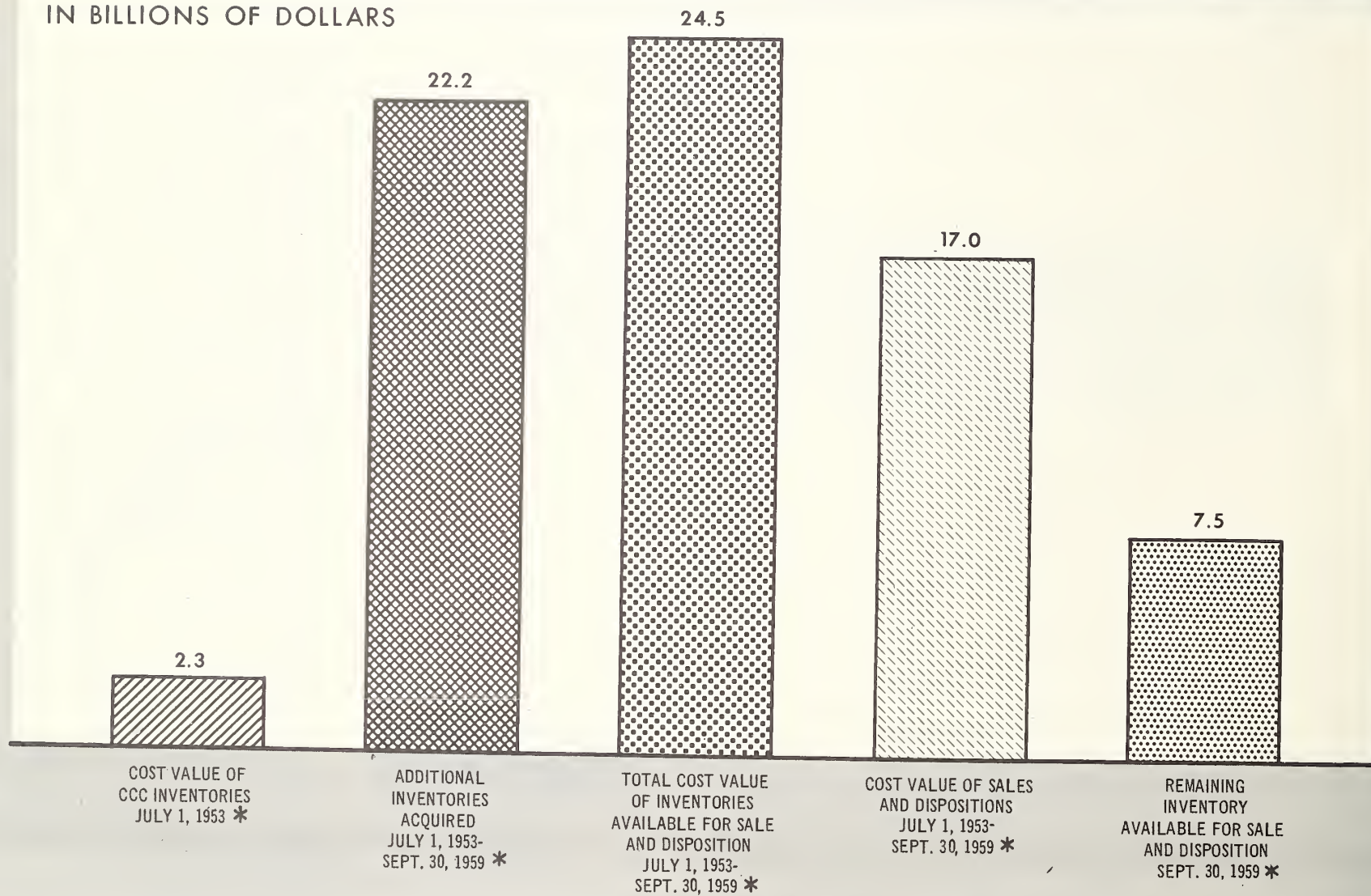
This section relates to CCC inventories, acquisitions, sales and dispositions in total and for individual commodities. Also the annual U. S. production of CCC commodities is shown. The chart on Page shows the total cost value of commodities in CCC inventory as of July 1, 1953. This chart also shows the additional inventories acquired, the total cost value of inventories available for sale and disposition, the cost value of sales and dispositions for the period July 1, 1953 through September 30, 1959 and the remaining inventory for sales and disposition as of September 30, 1959. If CCC had not been able to move the \$17 billion worth of commodities during this period, present CCC inventories would total \$24½ billion.



# CCC INVENTORIES, ACQUISITIONS, SALES AND DISPOSITIONS, ALL COMMODITIES

July 1, 1953 -September 30, 1959

IN BILLIONS OF DOLLARS



\* INCLUDES CARRYING CHARGES AND VALUE OF EXCHANGE COMMODITIES.



**Selected Price Support Commodities,  
U.S. Production, CCC Inventories,  
Acquisitions, Sales and Dispositions,  
and Remaining Inventories of CCC  
Commodities by Marketing  
Year 1953-1959**

**WHEAT (1,000 BU.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 7/1	ACQUISITIONS 7/1—6/30	SALES & DISPOSITIONS 7/1—6/30	REMAINING INV. 6/30
1	2	3	4	5	6
1953-54	1,173,071	470,021	432,835	128,243	774,613
1954-55	983,900	774,613	452,751	251,416	975,948
1955-56	934,731	975,948	260,812	286,037	950,723
1956-57	1,004,272	950,723	147,651	274,428	823,946
1957-58	950,662	823,946	155,777	144,802	834,921
1958-59	1,461,714	834,921	463,399	151,744	1,146,576

**CORN (1,000 BU.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 10/1	ACQUISITIONS 10/1—9/30	SALES & DISPOSITIONS 10/1—9/30	REMAINING INV. 9/30
1	2	3	4	5	6
1953-54	3,209,896	235,971	345,594	227,895	353,670
1954-55	3,057,891	353,670	398,466	130,674	621,462
1955-56	3,229,743	621,462	272,024	145,023	748,463
1956-57	3,455,283	748,463	412,956	288,095	873,324
1957-58	3,422,331	873,324	421,225	217,419	1,077,130
1958-59	3,800,863	1,077,130	333,961	226,754	1,184,337

**GRAIN SORGHUMS (1,000 CWT.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 10/1	ACQUISITIONS 10/1—9/30	SALES & DISPOSITIONS 10/1—9/30	REMAINING INV. 9/30
1	2	3	4	5	6
1953-54	64,803	58	22,816	10,695	12,179
1954-55	131,765	12,179	61,582	35,655	38,106
1955-56	135,815	38,106	51,909	47,333	42,682
1956-57	115,475	42,682	18,195	18,842	42,035
1957-58	316,021	42,035	154,535	31,457	165,113
1958-59	341,811	165,113	138,227	28,613	274,727

**BARLEY (1,000 BU.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 7/1	ACQUISITIONS 7/1—6/30	SALES & DISPOSITIONS 7/1—6/30	REMAINING INV. 6/30
1	2	3	4	5	6
1953-54	246,723	1,698	17,277	4,866	14,109
1954-55	379,254	14,109	93,649	34,228	73,530
1955-56	401,225	73,530	83,428	96,260	60,698
1956-57	376,873	60,698	60,758	53,190	68,266
1957-58	437,170	68,266	108,698	91,451	85,513
1958-59	475,196	85,513	49,353	35,523	99,343

**ROUGH RICE (1,000 CWT.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 8/1	ACQUISITIONS 8/1—7/31	SALES & DISPOSITIONS 8/1—7/31	REMAINING INV. 7/31
1	2	3	4	5	6
1953-54	52,918	1	2,858	2,376	483
1954-55	64,248	483	22,475	20,843	2,115
1955-56	55,969	2,115	25,997	16,665	11,447
1956-57	49,503	11,447	17,163	18,765	9,845
1957-58	42,954	9,845	11,030	14,380	6,495
1958-59	44,396	6,495	6,551	8,796	4,250

**OATS (1,000 BU.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 7/1	ACQUISITIONS 7/1—6/30	SALES & DISPOSITIONS 7/1—6/30	REMAINING INV. 6/30
1	2	3	4	5	6
1953-54	1,153,205	13,180	21,226	18,846	15,560
1954-55	1,409,601	15,560	63,290	38,381	40,469
1955-56	1,503,074	40,469	49,077	32,473	57,073
1956-57	1,163,160	57,073	19,528	49,203	27,398
1957-58	1,300,954	27,398	31,292	28,750	29,940
1958-59	1,415,570	29,940	30,822	13,924	46,838

**DRIED MILK (1,000 LBS.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 4/1	ACQUISITIONS 4/1—3/31	SALES & DISPOSITIONS 4/1—3/31	REMAINING INV. 3/31
1	2	3	4	5	6
1953-54	1,292,600	123,233	618,868	171,998	570,103
1954-55	1,300,600	570,103	602,354	947,452	225,005
1955-56	1,419,700	225,005	581,599	664,683	141,921
1956-57	1,512,000	141,921	750,396	761,939	130,378
1957-58	1,655,800	130,378	810,841	794,418	146,801
1958-59	1,706,600	146,801	719,162	746,331	119,632

**RYE (1,000 BU.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 7/1	ACQUISITIONS 7/1—6/30	SALES & DISPOSITIONS 7/1—6/30	REMAINING INV. 6/30
1	2	3	4	5	6
1953-54	18,894	110	2,513	104	2,519
1954-55	25,935	2,519	8,270	4,335	6,454
1955-56	29,055	6,454	14,642	9,735	11,361
1956-57	21,155	11,361	3,303	10,818	3,846
1957-58	27,243	3,846	7,462	5,217	6,091
1958-59	32,186	6,091	6,099	5,590	6,600

**BUTTER (1,000 LBS.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 4/1	ACQUISITIONS 4/1—3/31	SALES & DISPOSITIONS 4/1—3/31	REMAINING INV. 3/31
1	2	3	4	5	6
1953-54	1,462,400	94,641	325,776	89,976	330,441
1954-55	1,404,800	330,441	273,016	252,985	350,472
1955-56	1,407,700	350,472	77,183	326,603	101,052
1956-57	1,405,500	101,052	133,674	207,317	27,409
1957-58	1,423,600	27,409	197,184	142,434	82,159
1958-59	1,374,400	82,159	168,244	208,600	41,803

**UPLAND COTTON (1,000 BALES)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 8/1	ACQUISITIONS 8/1—7/31	SALES & DISPOSITIONS 8/1—7/31	REMAINING INV. 7/31
1	2	3	4	5	6
1953-54	16,465	236	1	108	129
1954-55	13,696	129	1,671	139	1,661
1955-56	14,721	1,661	6,286	1,995	5,952
1956-57	13,310	5,952	6,025	7,148	4,829
1957-58	10,964	4,829	3,676	7,568	937
1958-59	11,512	937	2,420	2,372	985

**CHEESE (1,000 LBS.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 4/1	ACQUISITIONS 4/1—3/31	SALES & DISPOSITIONS 4/1—3/31	REMAINING INV. 3/31
1	2	3	4	5	6
1953-54	1,060,800	38,677	316,880	36,442	319,115
1954-55	1,011,800	319,115	319,365	231,383	407,097
1955-56	1,003,700	407,097	150,746	262,939	294,904
1956-57	997,100	294,904	201,590	289,471	207,023
1957-58	1,011,800	207,023	239,613	259,065	187,571
1958-59	974,200	187,571	51,764	228,264	11,071

**DRY EDIBLE BEANS (1,000 CWT.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 9/1	ACQUISITIONS 9/1—8/30	SALES & DISPOSITIONS 9/1—8/30	REMAINING INV. 8/30
1	2	3	4	5	6
1953-54	16,498	1,369	1,656	1,471	1,554
1954-55	16,939	1,554	2,993	1,877	2,670
1955-56	16,649	2,670	1,845	2,957	1,558
1956-57	17,218	1,558	2,940	3,827	671
1957-58	15,626	671	106	711	66
1958-59	19,175	66	627	179	514

**SOYBEANS (1,000 BU.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 10/1	ACQUISITIONS 10/1—9/30	SALES & DISPOSITIONS 10/1—9/30	REMAINING INV. 9/30
1	2	3	4	5	6
1953-54	269,169	1,980	1,162	3,129	13
1954-55	341,075	13	15,235	8,678	6,570
1955-56	373,522	6,570	265	6,818	17
1956-57	449,446	17	26,949	21,800	5,166
1957-58	483,715	5,166	43,853	35,137	13,882
1958-59	579,713	13,882	73,342	42,984	44,240

**FLAXSEED (1,000 BU.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 7/1	ACQUISITIONS 7/1—6/30	SALES & DISPOSITIONS 7/1—6/30	REMAINING INV. 6/30
1	2	3	4	5	6
1953-54	37,656	5,161	13,312	9,675	8,798
1954-55	41,274	8,798	11,598	13,557	6,839
1955-56	41,243	6,839	998	7,816	21
1956-57	48,009	21	16,151	2,678	13,494
1957-58	25,919	13,494	3,769	14,090	3,173
1958-59	38,565	3,173	12,131	8,406	6,898

**GUM ROSIN (1,000 LBS.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 3/31	ACQUISITIONS 4/1—3/31	SALES & DISPOSITIONS 4/1—3/31	REMAINING INV. 3/31
1	2	3	4	5	6
1953-54	276,442	164,783	146,811	0	311,594
1954-55	274,404	311,594	35,439	7,686	339,347
1955-56	235,544	339,347	0	63,423	275,924
1956-57	231,187	275,924	-21 <sup>1</sup>	13,384	262,519
1957-58	207,953	262,519	0	15,169	247,350
1958-59	192,062	247,350	18,434	5,064	260,720

**PEANUTS (1,000 LBS.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 9/1	ACQUISITIONS 9/1—8/31	SALES & DISPOSITIONS 9/1—8/31	REMAINING INV. 8/31
1	2	3	4	5	6
1953-54	1,574,175	110,031	352,667	438,980	23,718
1954-55	1,008,495	23,718	132	23,850	0
1955-56	1,548,010	0	214,313	187,139	27,174
1956-57	1,607,810	27,174	375,100	280,069	122,205
1957-58	1,435,945	122,205	106,588	147,172	81,621
1958-59	1,835,800	81,621	339,028	280,833	139,816

**GUM TURPENTINE (1,000 GALS.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 3/31	ACQUISITIONS 4/1—3/31	SALES & DISPOSITIONS 4/1—3/31	REMAINING INV. 3/31
1	2	3	4	5	6
1953-54	8,884	525	1,656	3	2,178
1954-55	8,797	2,178	703	204	2,677
1955-56	7,450	2,677	0	832	1,845
1956-57	7,192	1,845	0	1,293	552
1957-58	6,454	552	0	124	428
1958-59	6,015	428	211	6	633

<sup>1</sup> Denotes reduction due to adjustment to recordings for prior period



**HONEY (1,000 LBS.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 4/1	ACQUISITIONS 4/1—3/31	SALES & DISPOSITIONS 4/1—3/31	REMAINING INV. AS OF 3/31
1	2	3	4	5	6
1953-54	223,770	—	7,104	6,594	510
1954-55	216,419	510	412	908	14
1955-56	252,981	14	—	14	—
1956-57	213,421	—	—	—	—
1957-58	243,902	—	—	—	—
1958-59	265,677	—	74	74	—

**TOBACCO (FLUE CURED) (1,000 LBS.)****FARM SALES WEIGHT**

MARKETING YEAR	U. S. PRODUCTION	LOANS OUTSTANDING AS OF 7/1	NEW LOANS 7/1—6/30	SALES & DISPOSITIONS 7/1—6/30	LOANS OUTSTANDING AS OF 6/30
1	2	3	4	5	6
1953-54	1,272,200	214,080	132,779	92,039	254,820
1954-55	1,314,408	254,820	115,398	76,145	294,073
1955-56	1,483,045	294,073	264,981	153,170	405,884
1956-57	1,422,538	405,884	285,363	116,907	574,340
1957-58	975,001	574,340	94,575	108,358	560,557
1958-59	1,081,035	560,557	129,133	118,700	570,990

**TUNG OIL (1,000 LBS.)**

MARKETING YEAR	U. S. PRODUCTION	CCC INVENTORY AS OF 11/1	ACQUISITIONS 11/1—10/31	SALES & DISPOSITIONS 11/1—10/31	REMAINING INV. AS OF 10/31
1	2	3	4	5	6
1953-54	39,649	—	5,775	8	5,767
1954-55	15,188	5,767	32,822	12,637	25,952
1955-56	2,230	25,952	22	25,266	708
1956-57	31,972	708	—	708	—
1957-58	25,463	—	14,891	268	14,623
1958-59	44,798	14,623	18,414	17,212	15,825

**TOBACCO (ALL OTHER) (1,000 LBS.)****FARM SALES WEIGHT**

MARKETING YEAR	U. S. PRODUCTION	LOANS OUTSTANDING AS OF 10/1	NEW LOANS 10/1—9/30	SALES & DISPOSITIONS 10/1—9/30	LOANS OUTSTANDING AS OF 9/30
1	2	3	4	5	6
1953-54	820,962	277,775	122,607	93,754	306,628
1954-55	963,087	306,628	223,150	39,710	490,068
1955-56	739,657	490,068	99,408	139,115	450,361
1956-57	776,863	450,361	38,775	136,619	352,517
1957-58	719,087	352,517	41,659	59,306	334,870
1958-59	683,748	334,870	18,527	72,948	280,449

**MILLED RICE (1,000 CWT.)**

MARKETING YEAR	U. S. PRODUCTION*	CCC INVENTORY AS OF 8/1	ACQUISITIONS 8/1—7/31	SALES & DISPOSITIONS 8/1—7/31	REMAINING INV. 7/31
1	2	3	4	5	6
1953-54	—	0	302	0	302
1954-55	—	302	10,929	1,727	9,504
1955-56	—	9,504	8,515	7,173	10,846
1956-57	—	10,846	12,889	21,879	1,856
1957-58	—	1,856	9,872	7,877	3,851
1958-59	—	3,851	4,833	5,083	3,601

\*Processed from rough rice.

# SALES AND DISPOSITIONS OF CCC PRICE SUPPORT COMMODITIES BY PROGRAM

CCC moves its commodities into consumption channels through six main avenues

## SECTION

### DOLLAR SALES

Sales for dollars both for domestic and export use constitute the largest single outlet for CCC commodities.

Of total sales for dollars, export outlets presently account for about 5 percent on a cost value basis. Export sales of non-PIK CCC commodities are usually made at prices somewhat below domestic price levels to permit American exporters to compete in foreign markets.

### BARTER

Under the barter program, eligible CCC commodities are traded for strategic materials for stockpiling and other materials for U.S. Government agencies.

### FOREIGN CURRENCY SALES

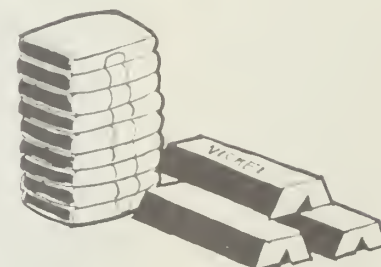
Under P. L. 480, Title I, agricultural surpluses are being sold abroad for foreign currencies. The foreign currencies are used abroad by the U.S. to develop new markets for U.S. farm products, to pay U.S. obligations abroad, to finance U.S. educational exchange activities, and as loans or grants to importing countries for economic development purposes.

### TRANSFERS

Transfers of CCC stocks are made to the International Cooperation Administration for donation to any friendly nations for relief requirements. Transfers are also made to the Veterans' Administration for use in its hospitals, to the Army, Navy and Air Force, to Federal penal and correctional institutions, and for relief in any part of the United States declared by the President to be an acute distress area.

### DONATIONS

CCC commodities, primarily food commodities, have been donated to recipients in the U.S. and foreign countries.



# COST VALUE OF CCC PRICE SUPPORT INVENTORY SALES AND DISPOSITIONS

FISCAL YEAR	DOLLAR SALES <sup>1</sup>	BARTER	PAYMENT-IN-KIND	P. L. 480 TITLE I <sup>2</sup>	TRANSFERS <sup>3</sup>	DONATIONS	TOTAL SALES AND DISPOSITIONS
1	2	3	4	5	6	7	8
	(In Thousands of Dollars)						
1954	1,099,697	43,721	4	5	230,657	49,869	1,423,944
1955	1,259,799	155,005	4	101,360	180,295	418,144	2,114,603
1956	1,308,503	446,153	4	341,930	219,451	406,480	2,722,517
1957	1,944,422	630,583	104,627	623,169	451,900	453,143	4,207,844
1958	1,983,173	173,300	123,667	497,921	314,692	366,223	3,458,976
1959	1,121,417	204,374	187,774	381,209	413,160	301,732	2,609,666
SUB TOTAL	8,717,011	1,653,136	416,068	1,945,589	1,810,155	1,995,591	16,537,550
JULY-SEPT. 1959	269,931	49,873	32,123	51,737	921	67,099	471,684
GRAND TOTAL	8,986,942	1,703,009	448,191	1,997,326	1,811,076	2,062,690	17,009,234
% OF TOTAL SALES & DISPOSITIONS	52.8	10.1	2.6	11.7	10.6	12.2	100.0

<sup>1</sup> Includes sales of rice and flaxseed to processors which CCC repurchases under contracts in a processed form.

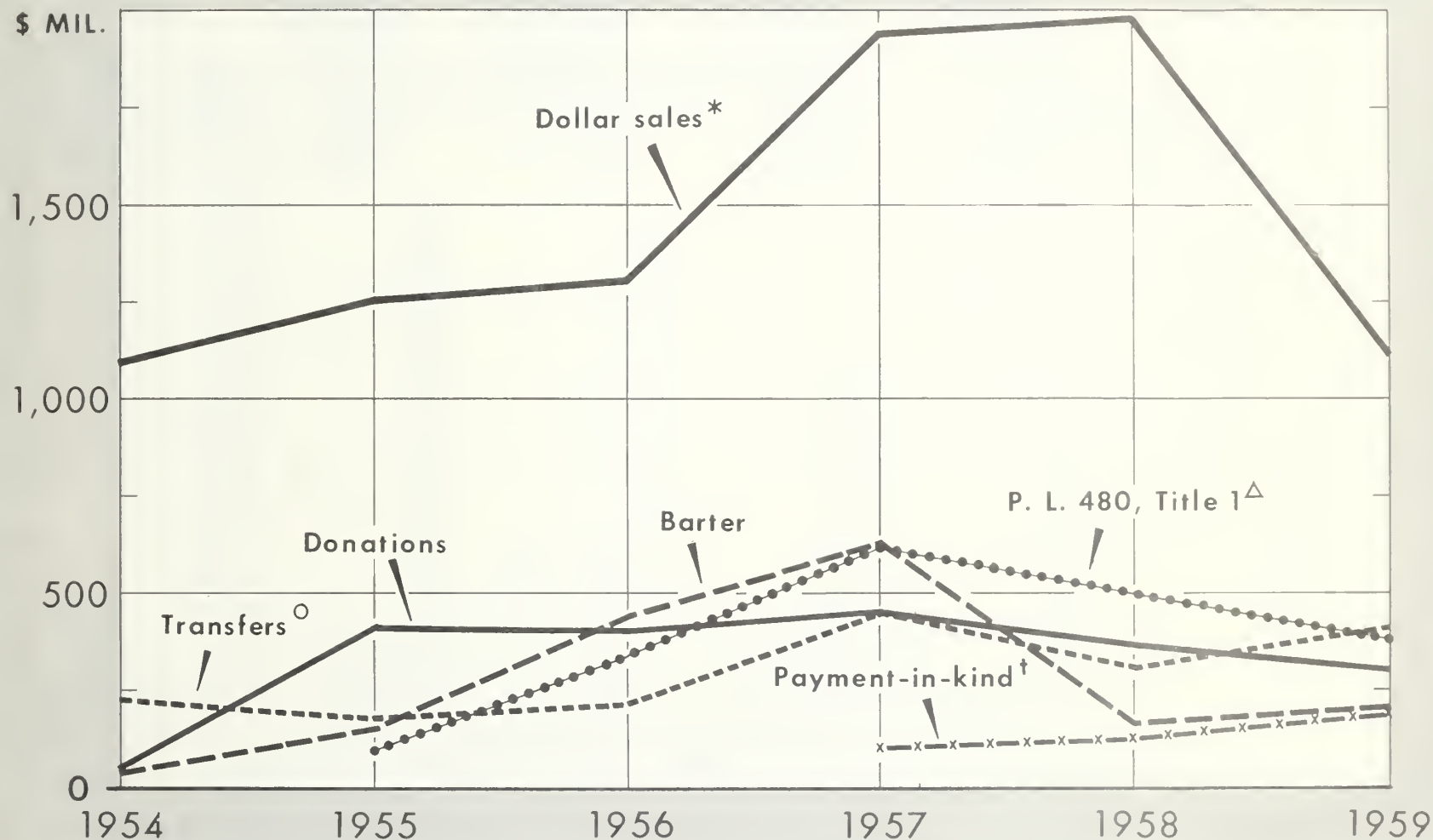
<sup>2</sup> Represents amount CCC to be reimbursed by appropriation for CCC inventories disposed of under Title I, P. L. 480. (Does not include P. L. 480 sales from commercial stocks.)

<sup>3</sup> Includes P. L. 480, Title II transfers, Sec. 402 (ICA) transfers, and Section 32 sales.

<sup>4</sup> Payment-in-kind transactions not authorized until September 1956.

<sup>5</sup> P. L. 480 transactions not authorized until July 1954.

# COST VALUE OF CCC PRICE SUPPORT INVENTORY SALES AND DISPOSITIONS BY PROGRAM



\* INCLUDES SALES OF RICE AND FLAXSEED TO PROCESSORS WHICH CCC REPURCHASES UNDER CONTRACTS IN A PROCESSED FORM

△ REPRESENTS AMOUNT CCC TO BE REIMBURSED BY APPROPRIATION FOR CCC INVENTORIES DISPOSED OF UNDER TITLE 1, P. L. 480 (DOES NOT INCLUDE P. L. 480 SALES FROM COMMERCIAL STOCKS) P. L. 480 TRANSACTIONS NOT AUTHORIZED UNTIL JULY 1954

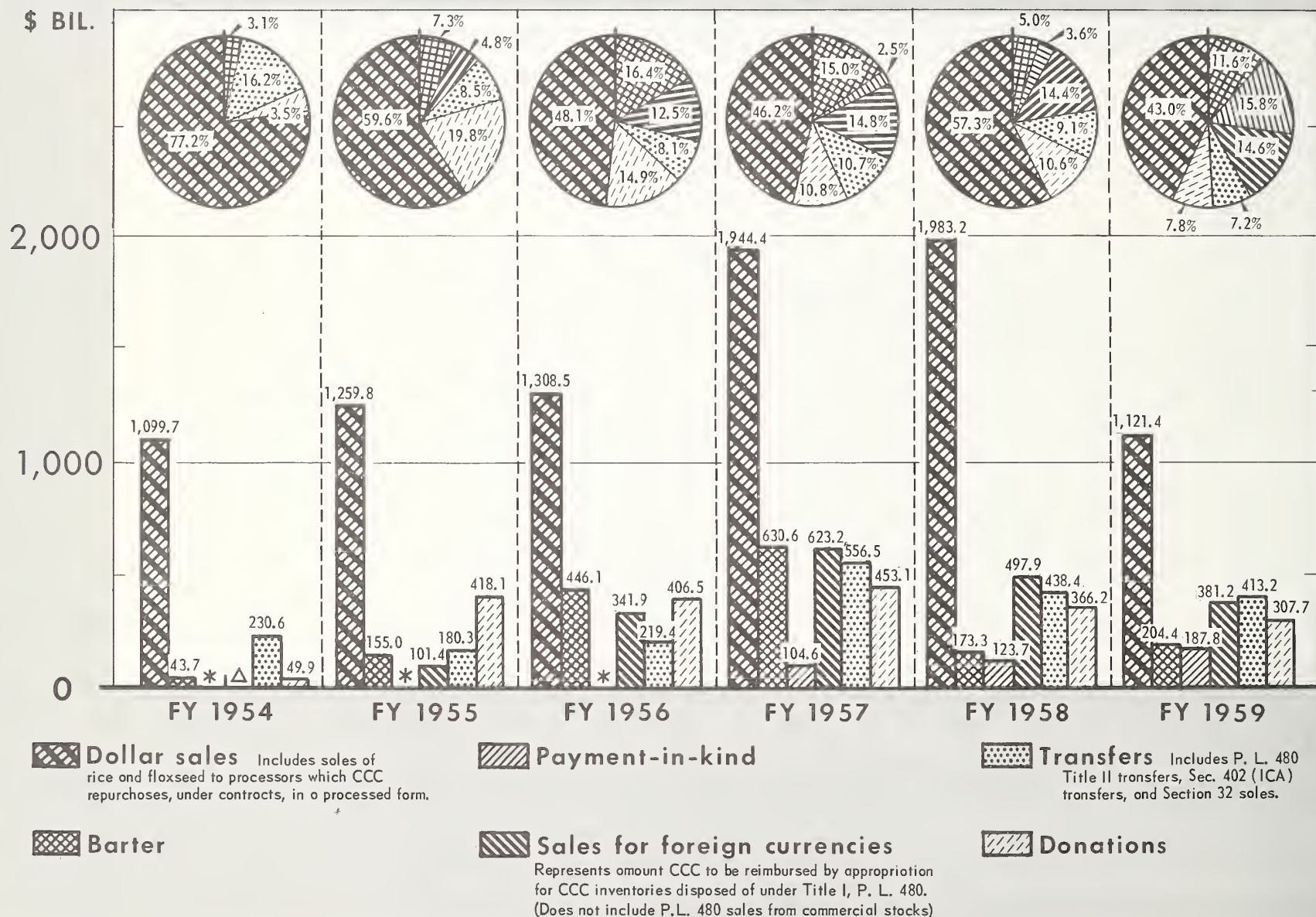
○ INCLUDES P. L. 480, TITLE 11 TRANSFERS, SEC. 402 (ICA) TRANSFERS, AND SECTION 32 SALES

† PAYMENT-IN-KIND TRANSACTIONS NOT AUTHORIZED UNTIL SEPTEMBER 1956



# COST VALUE OF CCC PRICE SUPPORT INVENTORY SALES AND DISPOSITIONS

July 1, 1953-June 30, 1959

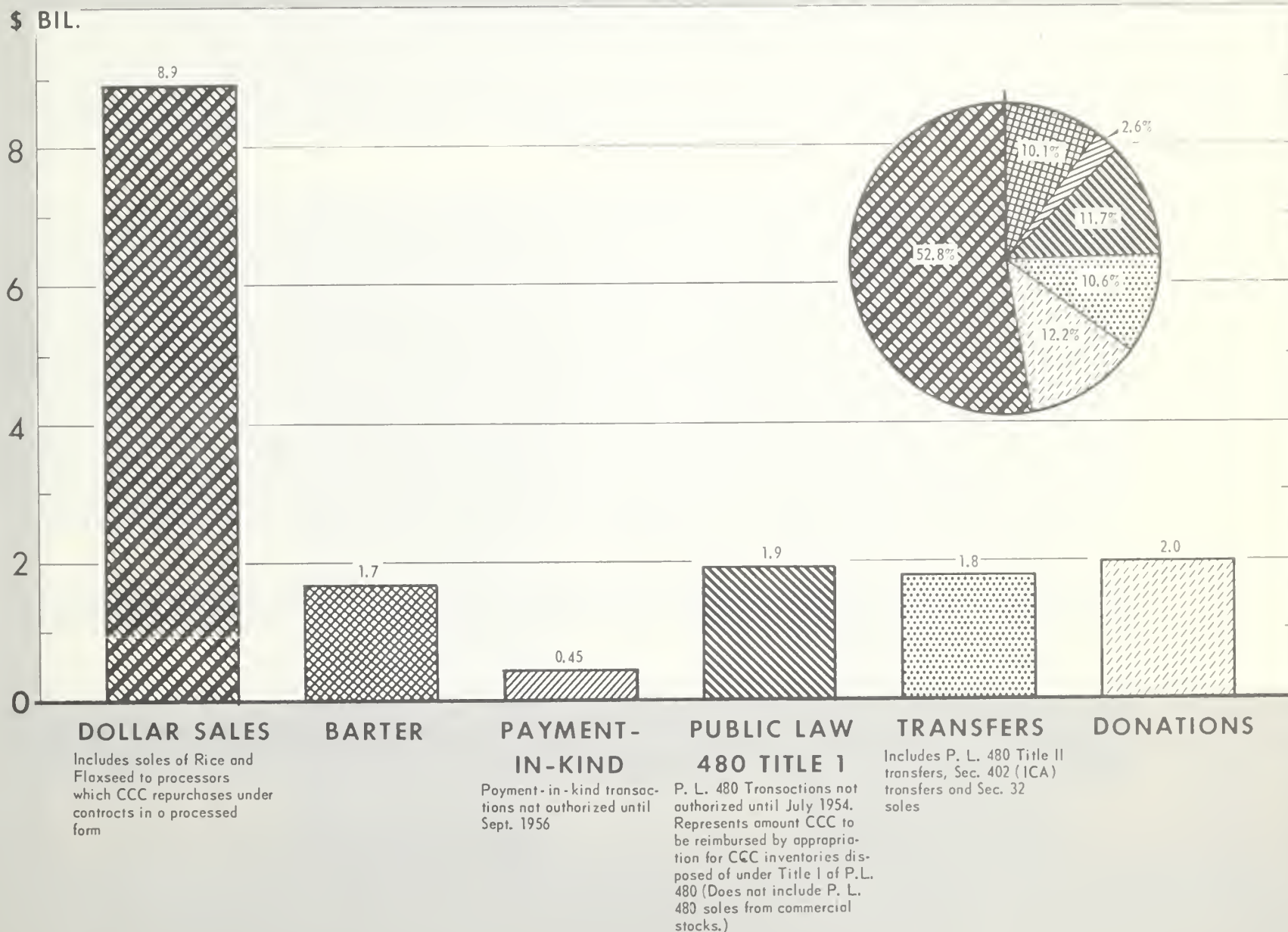


\* PAYMENT-IN-KIND TRANSACTIONS NOT AUTHORIZED UNTIL SEPTEMBER 1956.

△ P.L. 480 NOT AUTHORIZED UNTIL JULY 1954.

# COST VALUE OF CCC PRICE SUPPORT INVENTORY SALES AND DISPOSITIONS

July 1, 1953-SEPTEMBER 30, 1959



# PROCEEDS FROM CCC PRICE SUPPORT INVENTORY SALES AND DISPOSITIONS

FISCAL YEAR	DOLLAR SALES <sup>1</sup>	BARTER	PAYMENT- IN-KIND	P. L. 480 TITLE I <sup>2</sup>	TRANSFERS <sup>3</sup>	TOTAL SALES AND DISPOSITIONS
1	2	3	4	5	6	7
	(In Thousands of Dollars)					
1954	757,104	37,441	4	5	211,655	1,006,200
1955	936,687	122,240	4	111,232	169,670	1,339,829
1956	885,698	331,385	4	368,004	210,419	1,795,506
1957	1,302,271	451,127	86,434	671,295	457,023	2,968,150
1958	1,406,874	119,493	90,538	534,257	306,347	2,457,509
1959	728,699	137,180	117,279	414,165	411,437	1,808,760
SUB TOTAL	6,017,333	1,198,866	294,251	2,098,953	1,766,551	11,375,954
JULY-SEPT. '59	204,858	30,107	19,920	55,667	713	311,265
GRAND TOTAL	6,222,191	1,228,973	314,171	2,154,620	1,767,264	11,687,219
% OF TOTAL SALES & DISPOSITIONS	53.3	10.5	2.7	18.4	15.1	100.0

<sup>1</sup> Includes sales of rice and flaxseed to processors which CCC repurchases under contracts in a processed form.

<sup>2</sup> Represents amount CCC to be reimbursed by appropriation for CCC inventories disposed of under Title I, P. L. 480. (Does not include P. L. 480 sales from commercial stocks.)

<sup>3</sup> Includes P. L. 480, Title II transfers, Sec. 402 (ICA) transfers, and Section 32 sales.

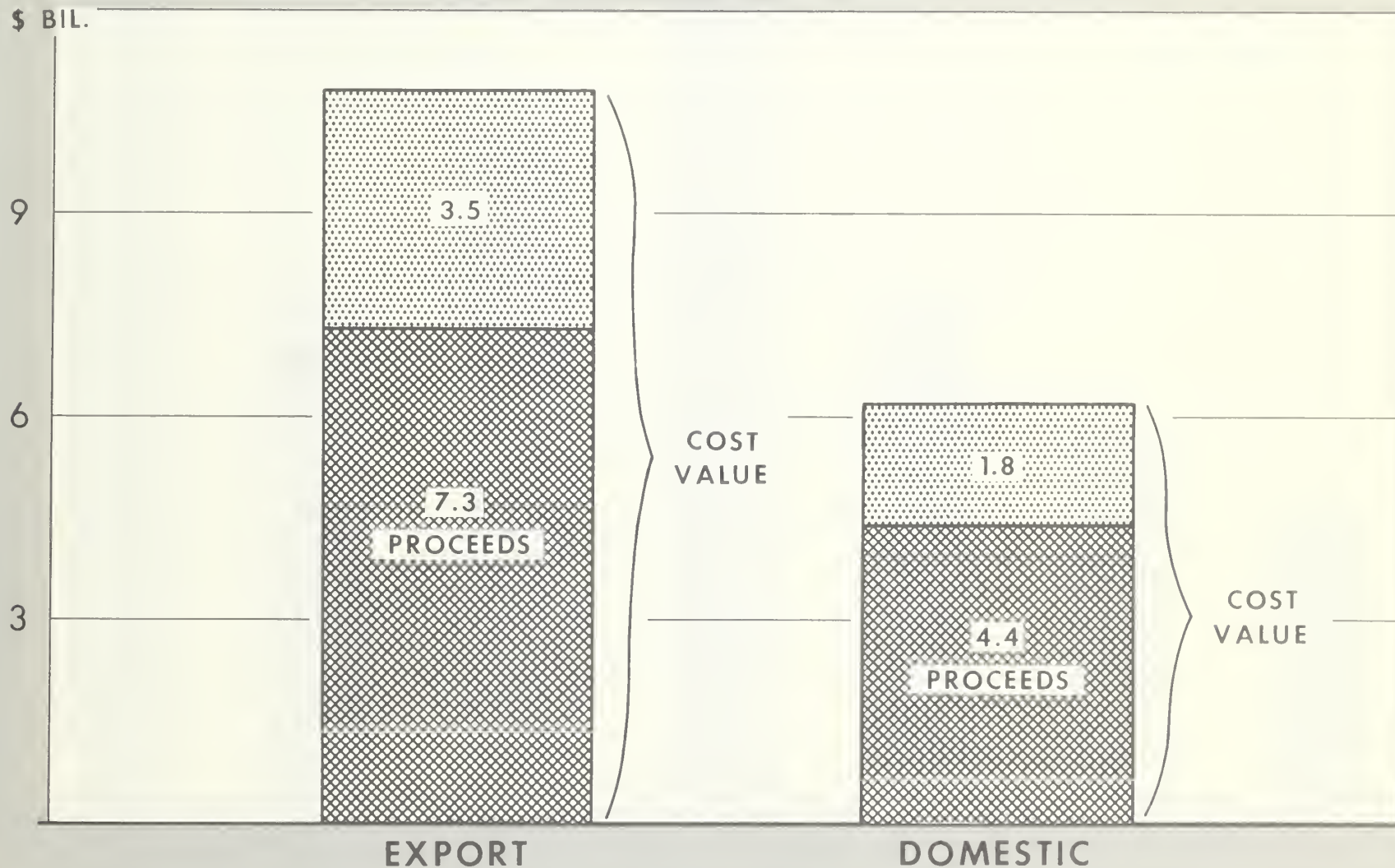
<sup>4</sup> Payment-in-kind transactions not authorized until September 1956.

<sup>5</sup> P. L. 480 transactions not authorized until July 1954.



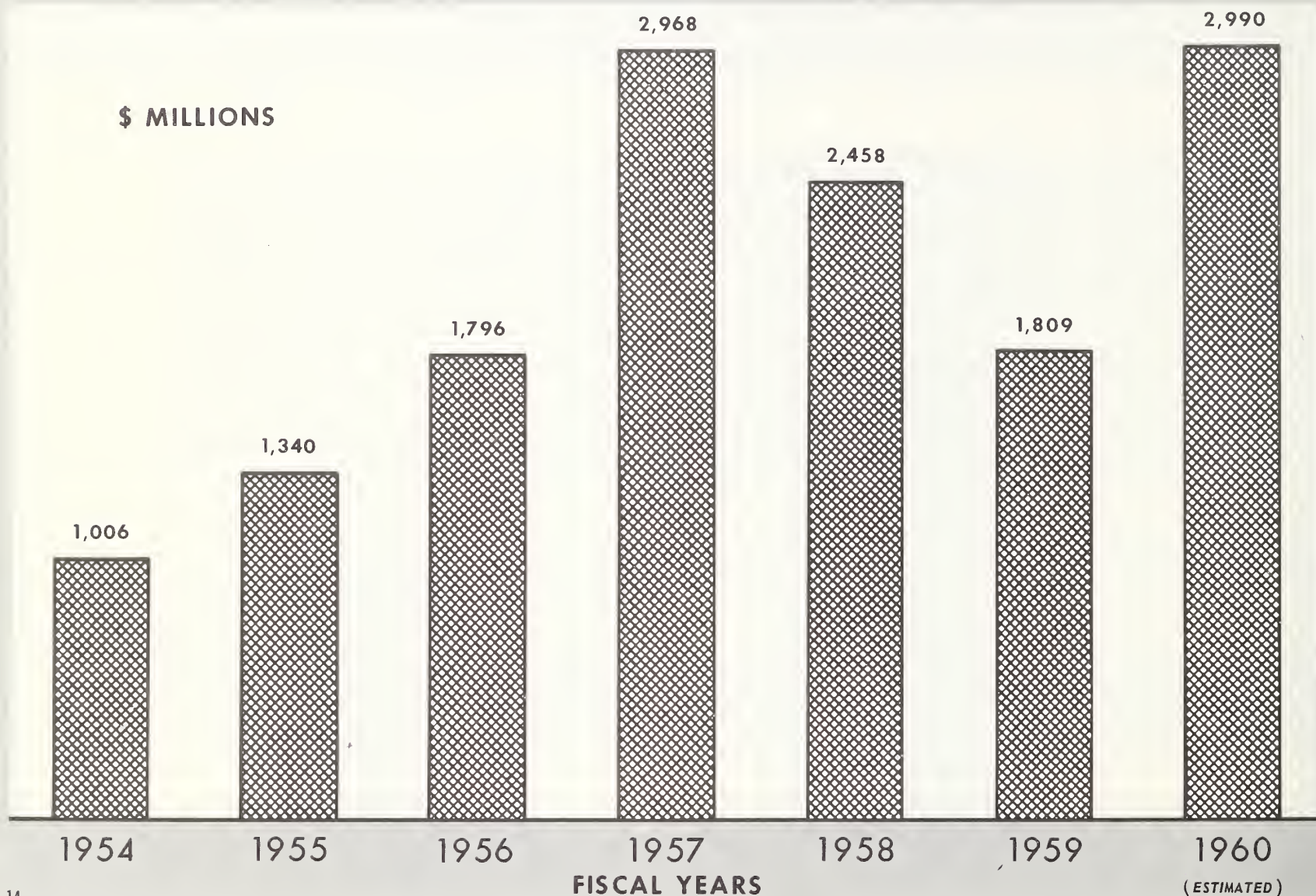
# COST VALUE AND PROCEEDS RETURNED TO CCC FROM EXPORT AND DOMESTIC SALES AND DISPOSITIONS OF COMMODITIES FROM PRICE SUPPORT INVENTORIES

July 1, 1953 - September 30, 1959



# PROCEEDS FROM TOTAL SALES AND DISPOSITIONS ( ALL DISPOSAL PROGRAMS ) FROM PRICE SUPPORT INVENTORIES

*Fiscal years 1954, 1955, 1956, 1957, 1958, 1959 and Estimated Proceeds, Fiscal year 1960*



## CCC EXPORT CREDIT SALES PROGRAM

The chart on page 16 explains how CCC commodities may be purchased under the CCC Export Credit Sales Program.

### **Commodity Availabilities**

Under this program commodities in CCC inventory and tobacco under loan to CCC may be purchased on deferred payment. Special restrictions apply to wheat and feed grains in accordance with the philosophy of the PIK programs applicable to these commodities.

### **Periods of Deferred Payment**

Commodities may be purchased on a deferred payment basis for periods up to 36 months.

### **Interest Rate**

Interest is charged at the rate announced each month by CCC and runs for the length of the deferred payment period.

### **Bank Obligation**

For all purchases made under this program there is required an assurance of payment from a bank in the U.S., usually in the form of an irrevocable letter of credit. A foreign agency bank licensed under New York law will qualify as a bank in the U.S.

### **Exporter's Obligation**

The exporter is not obligated to buy commodities from CCC if granted a credit approval. If he is going to use the credit approval, however, he must purchase the commodities in the period specified in the credit arrangement. To the extent that the bank obligation is issued on the basis of the importer's line of credit, the exporter's line of credit will not be used.

### **Purchases**

Purchases of commodities on credit are made in accordance with applicable CCC sales announcements to the extent that the commodities are available in CCC inventory at the time of purchase.

### **Cargo Preference Act**

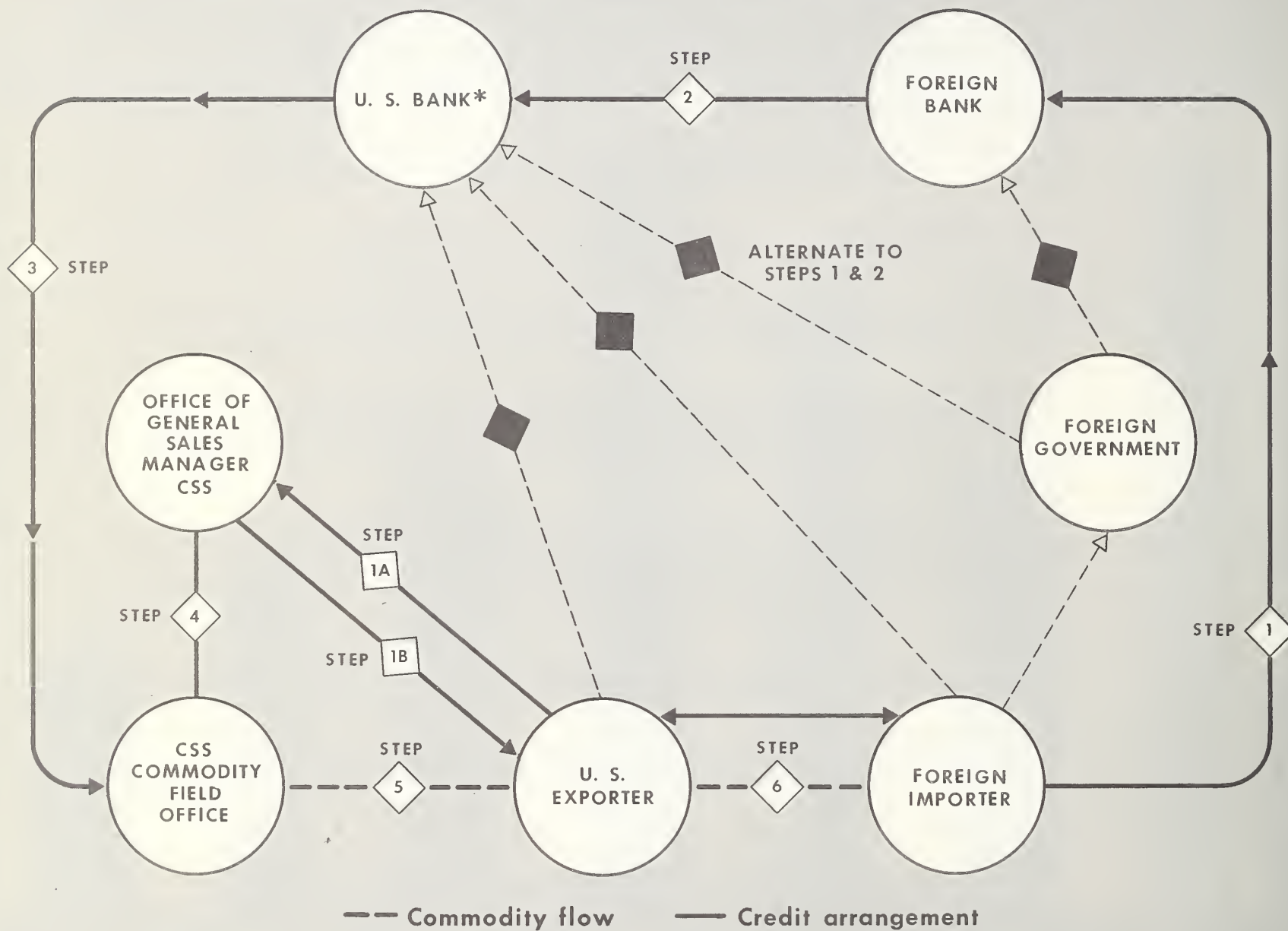
Provisions of P. L. 664, 83rd Congress (the Cargo Preference Act) requiring shipment on U. S. flag commercial vessels are not applicable to export sales under the CCC Export Credit Sales Program.

### **Applications**

U.S. exporters apply to the office of the General Sales Manager, Commodity Stabilization Service, U. S. Department of Agriculture, Washington 25, D. C., under credit announcement GSM-1, Revised. Exporters desiring to purchase tobacco on credit apply under GSM-2.



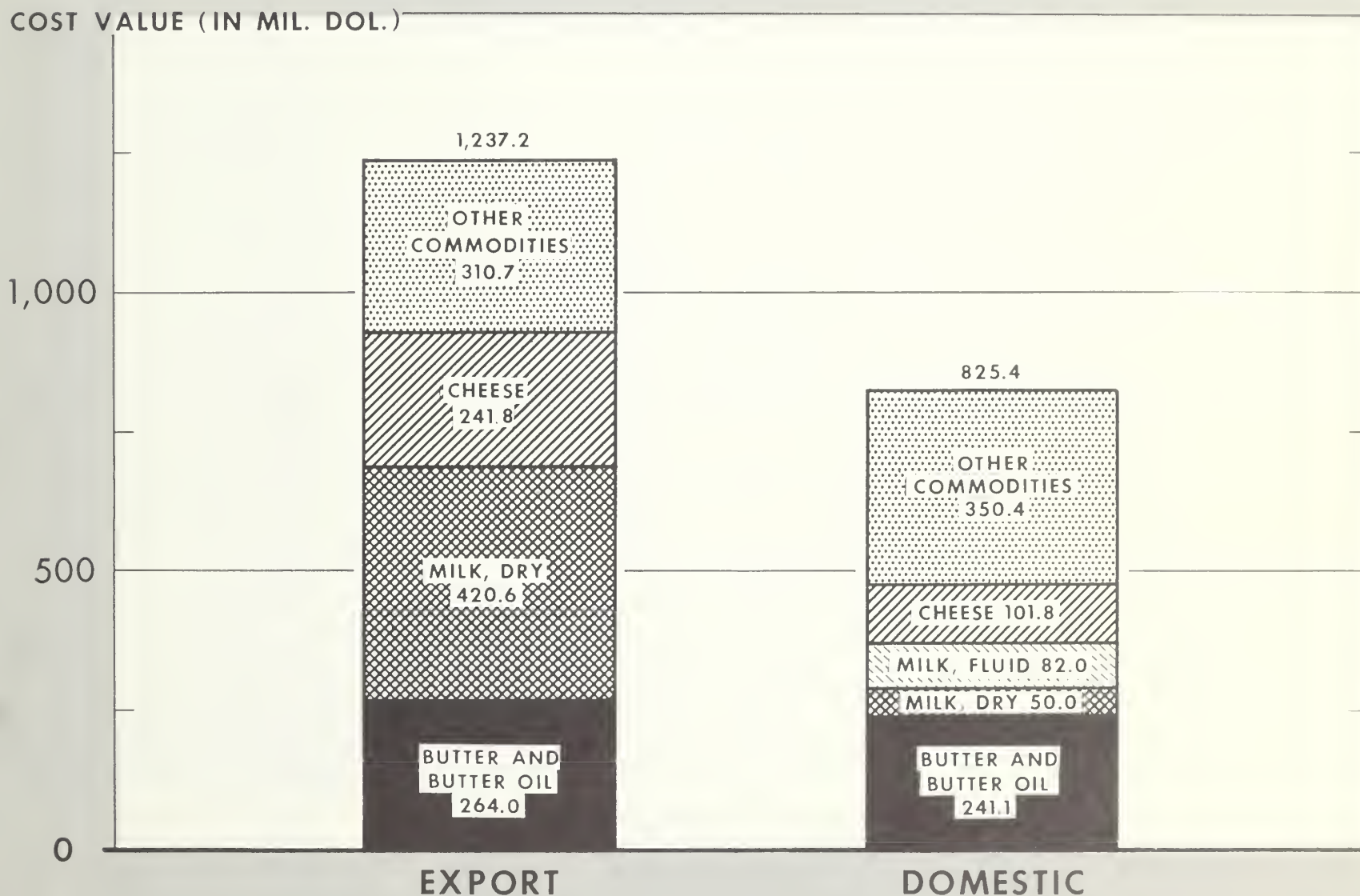
## HOW THE CCC EXPORT CREDIT SALES PROGRAM WORKS



\* OR FOREIGN AGENCY BANK IN THE U. S.

# EXPORT AND DOMESTIC DONATIONS FROM CCC PRICE SUPPORT INVENTORIES SHOWING AMOUNTS OF DAIRY PRODUCTS DONATED

July 1, 1953 -September 30, 1959



# PAYMENT-IN-KIND PROGRAM DEVELOPMENTS

## SECTION

Payment-in-kind programs are designed to encourage exports from commercial supplies instead of from CCC inventories. This places the merchandising functions in the hands of the private trade.

COMMODITY CREDIT CORPORATION FORM 398 (4-28-58)

U.S. DEPARTMENT OF AGRICULTURE  
COMMODITY STABILIZATION SERVICE  
COMMODITY CREDIT CORPORATION

**№ 106330**  
ISSUING OFFICE (CITY AND STATE)  
CSS Commodity Office

**FEED GRAIN EXPORT PAYMENT CERTIFICATE**  
**FEED GRAIN EXPORT PROGRAM - PAYMENT IN KIND**

NAME AND ADDRESS OF PAYEE.

THE FACE VALUE OF THIS CERTIFICATE IS:

**VOID**

ISSUED ON

DATE OF EXPORT

KIND OF FEED GR

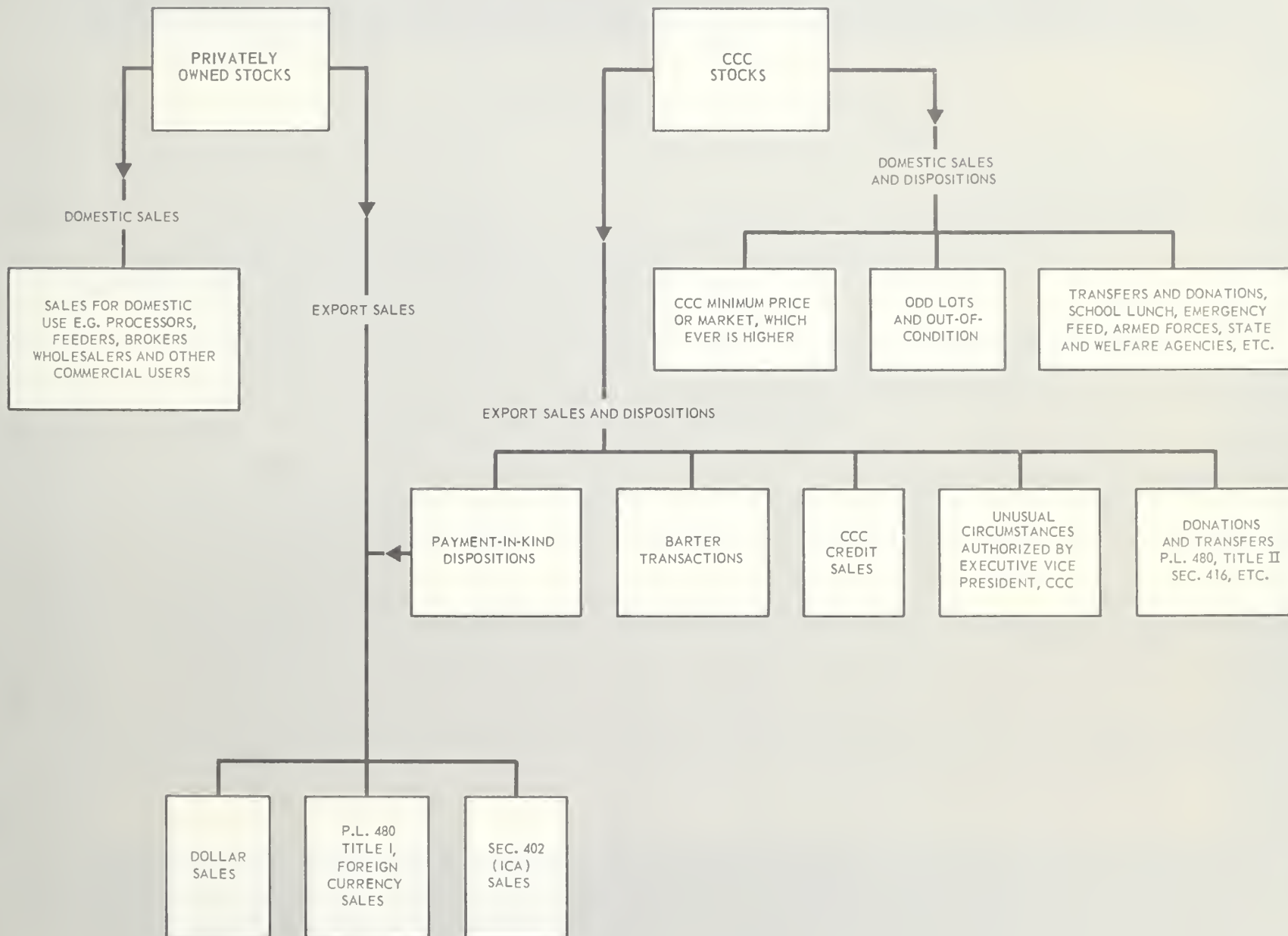
ACCEPTANCE NO.

This Certificate will be accepted at face value if applied to Corporation (hereinafter referred to as CCC) which specifies a "above. If this Certificate is applied to the purchase of feed grain 60 days after the date of export shown above, the value at which by one-fiftieth of 1 percent for each day beginning on the 61st day in the CCC contract to which it is applied. This Certificate is presented to CCC either by the person or firm named above or by a representative, CCC)

**VOID**

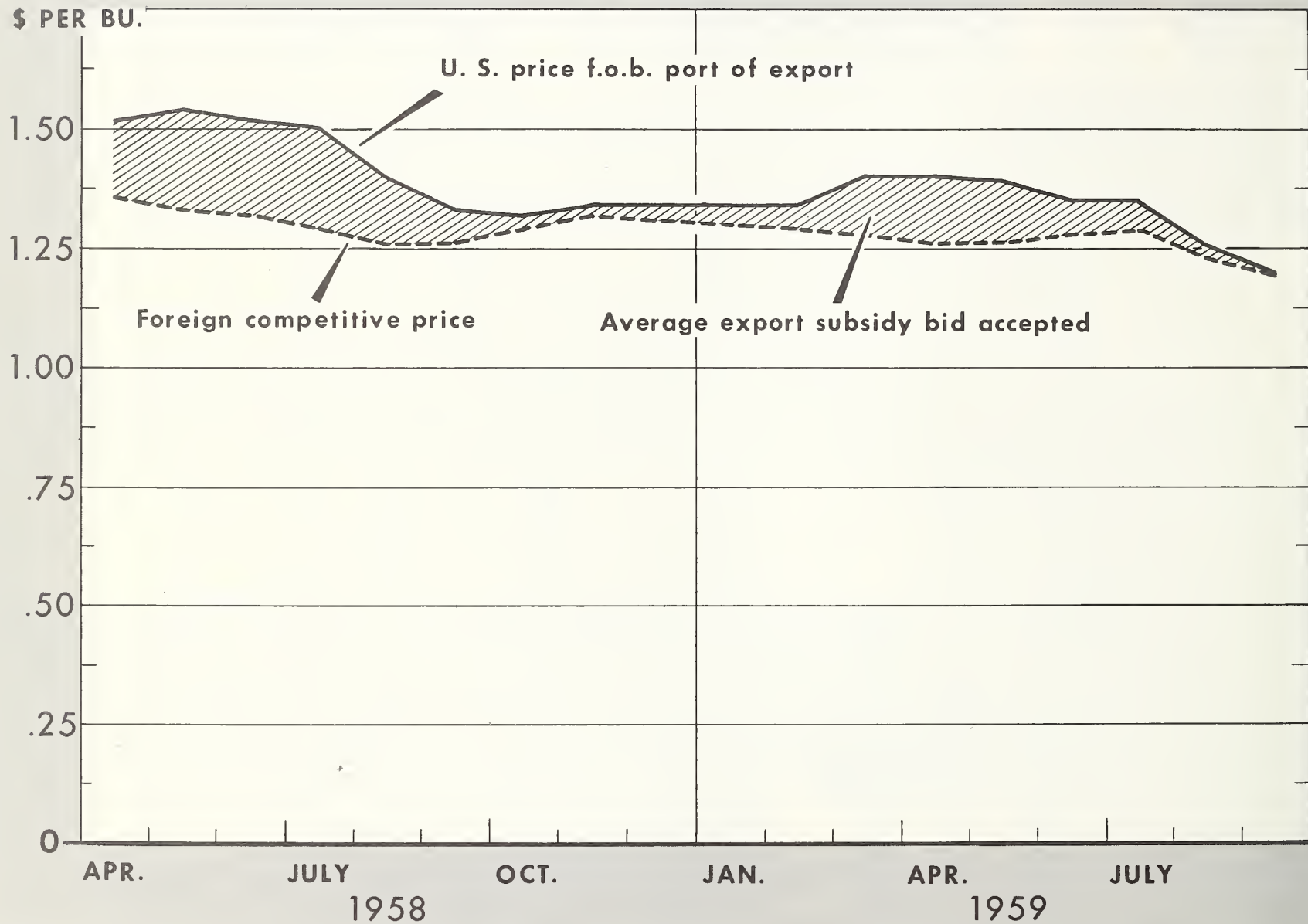


# GRAIN PAYMENT-IN-KIND FLOW CHART

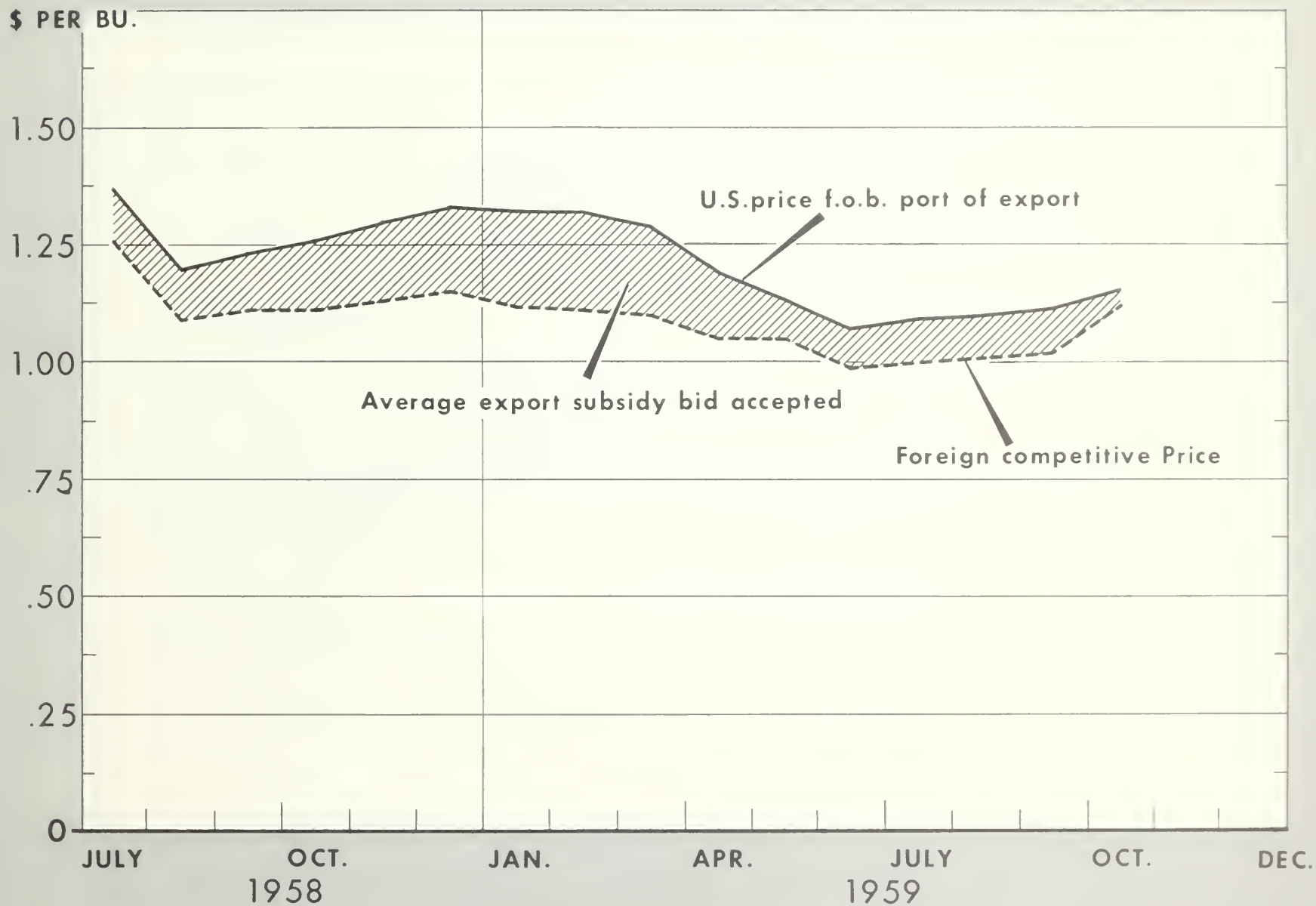




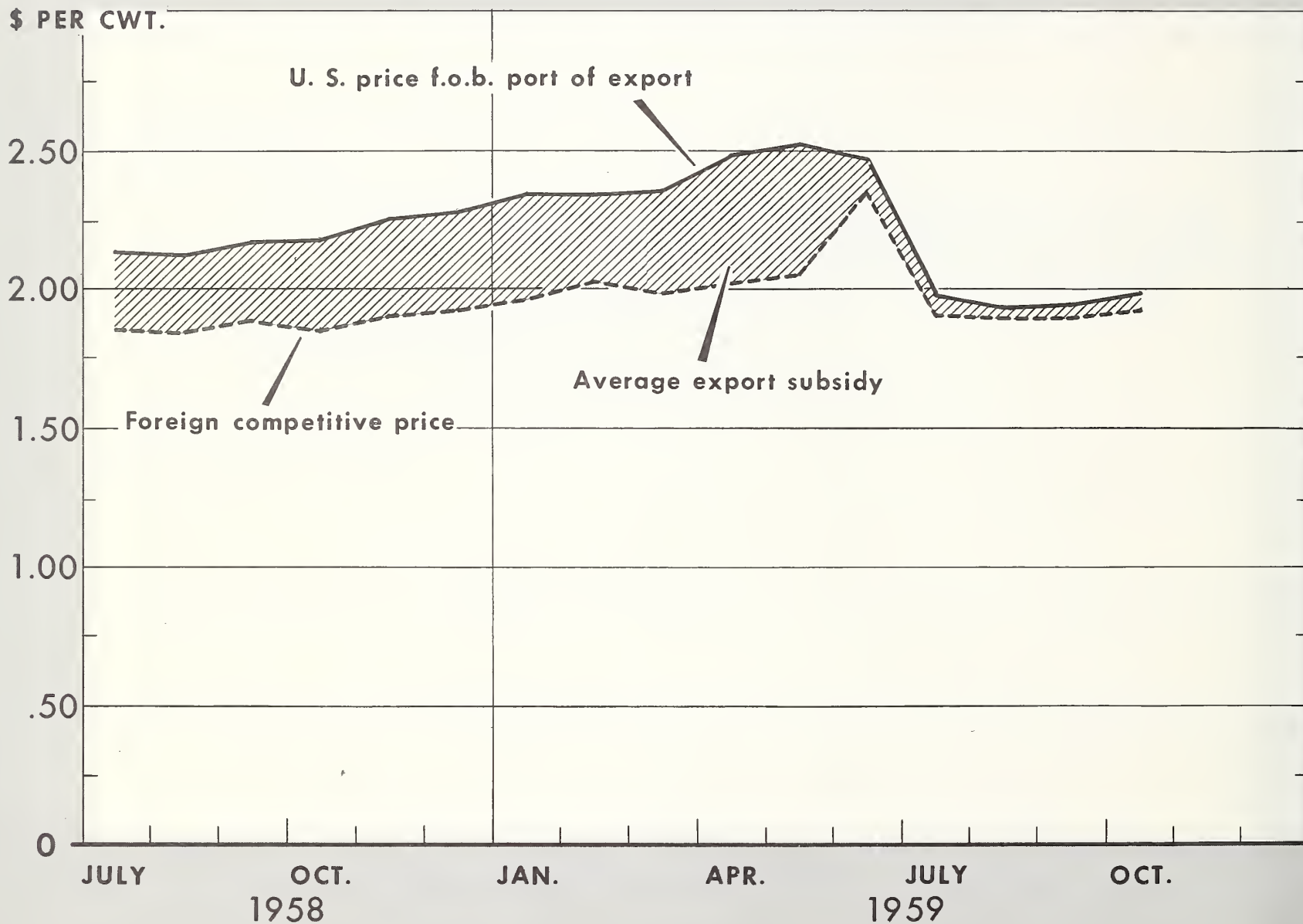
**CORN:** Monthly Average Prices f.o.b. U. S. Port of Export, Foreign Competitive Prices,  
and Value of Subsidy Bids Accepted May 1958-October 1959



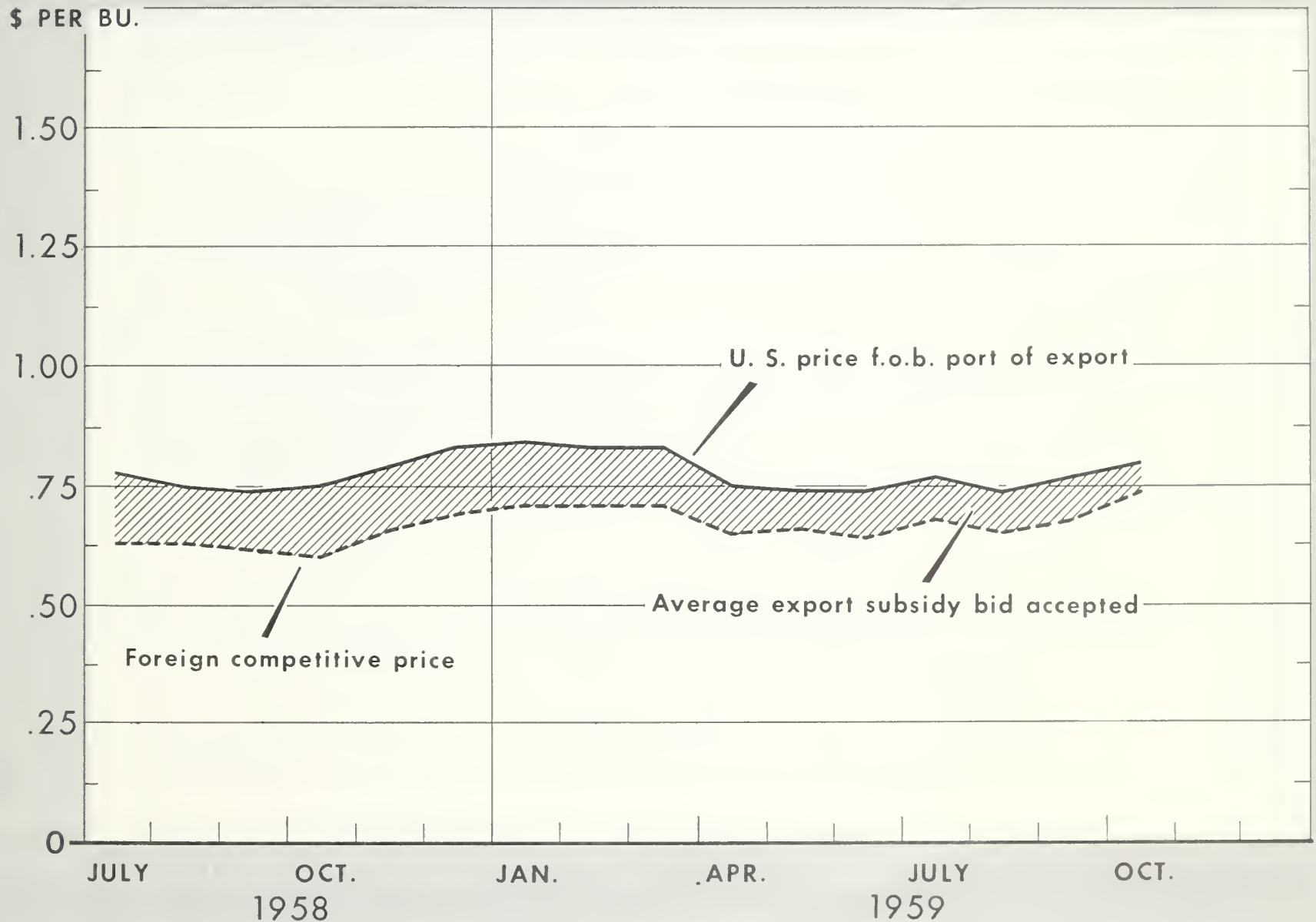
**BARLEY:** Monthly Average Prices f.o.b. U. S. Port of Export, Foreign Competitive Prices,  
and Value of Subsidy Bids Accepted July 1958-October 1959



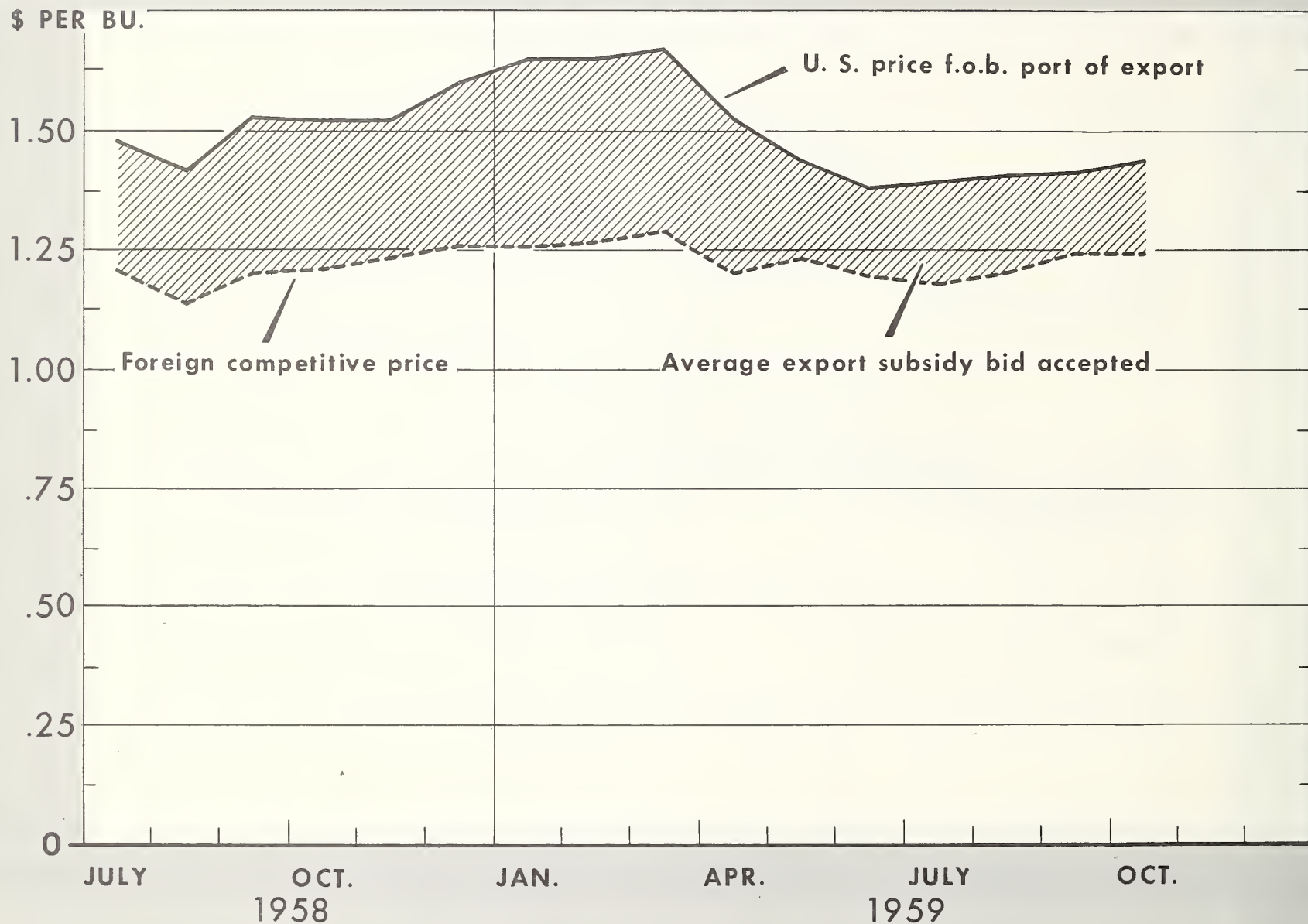
# GRAIN SORGHUMS: Monthly Average Prices f.o.b. U. S. Port of Export, Foreign Competitive Prices, and Value of Subsidy Bids Accepted July 1958-October 1959



**OATS:** Monthly Average Prices f.o.b. U. S. Port of Export, Foreign Competitive Prices,  
and Value of Subsidy Bids Accepted July 1958-October 1959

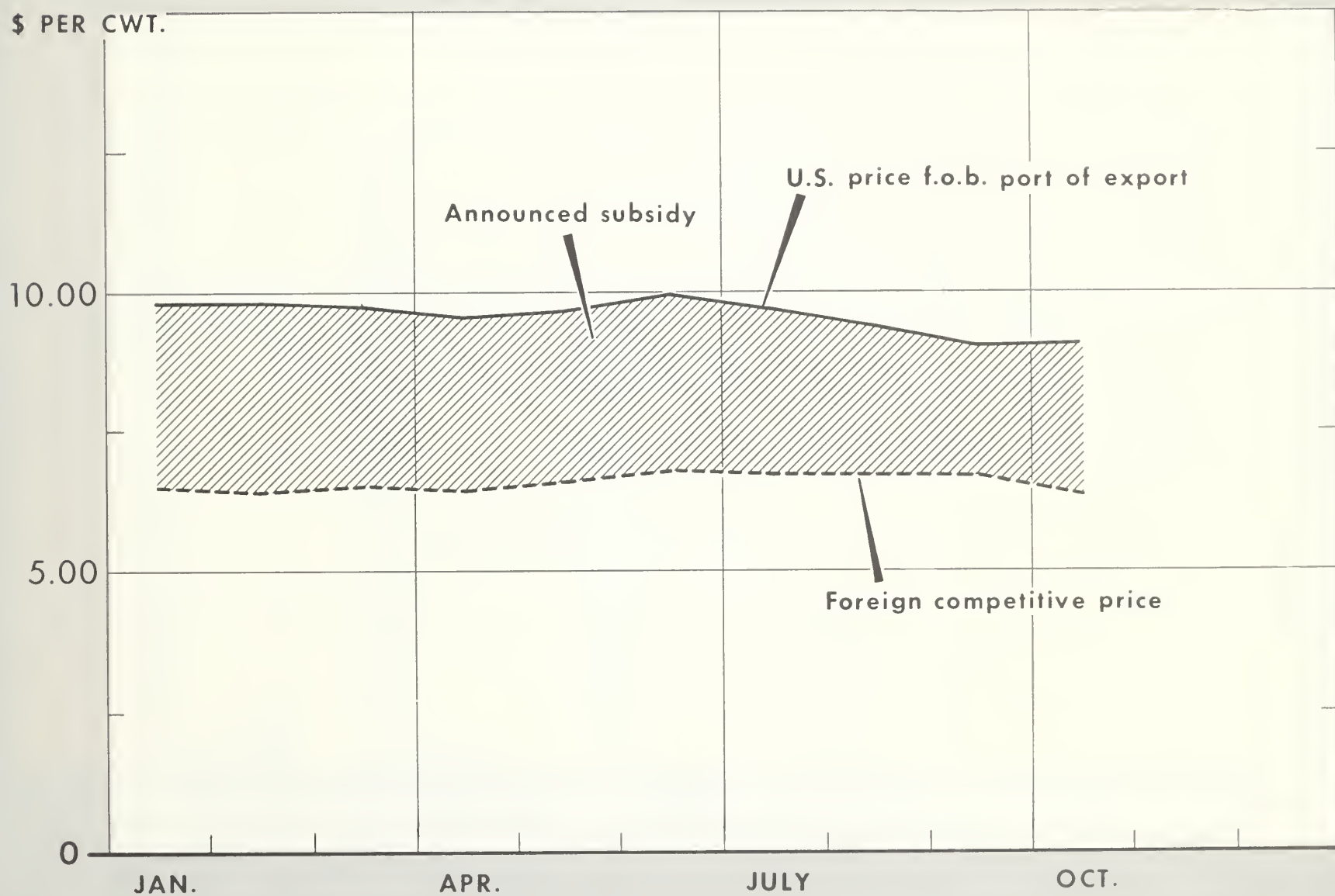


**RYE:** Monthly Average Prices f.o.b. U. S. Port of Export, Foreign Competitive Prices,  
and Value of Subsidy Bids Accepted July 1958-October 1959

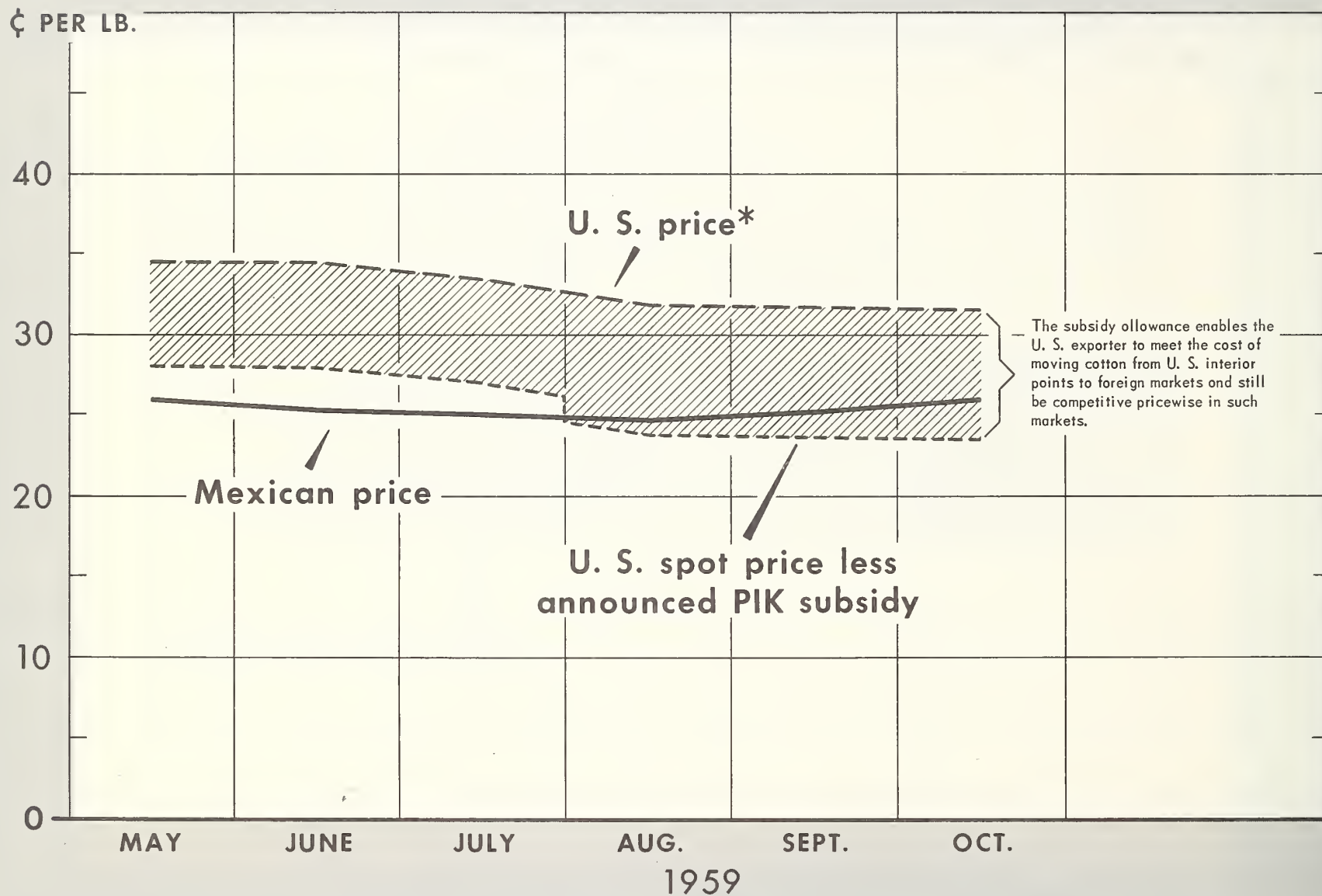




# MILLED RICE: Monthly Average Prices f.o.b. U. S. Port of Export (U.S. no. 2 Bluebonnet) , Foreign Competitive Prices, and Value of Rice Subsidy allowed January-October 1959



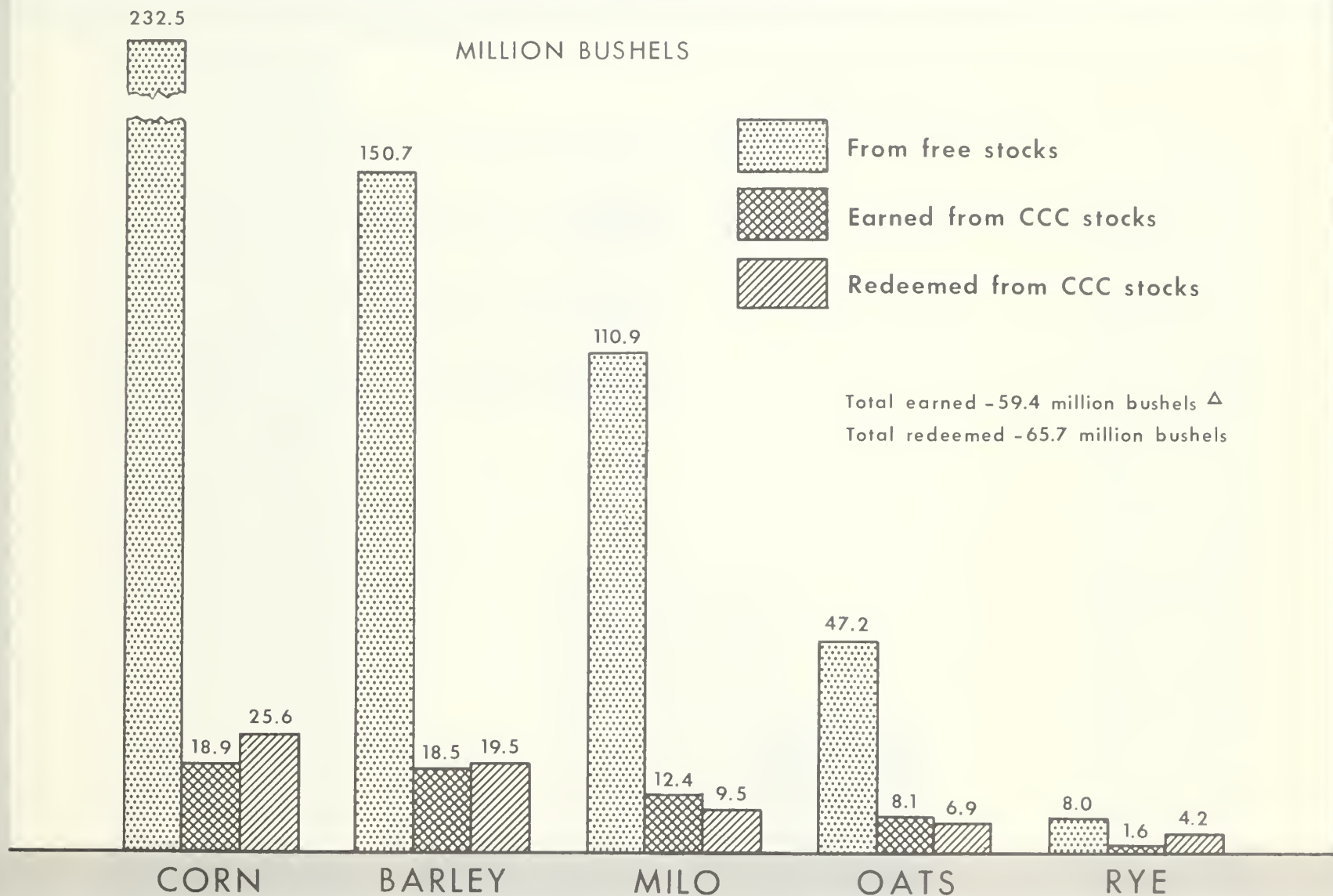
# UPLAND COTTON: U. S. Domestic Spot Market Price Compared with Mexican C.I.F. Liverpool Price Basis Middling Inch



\* AVERAGE 14 SPOT MARKETS



# FEED GRAINS: Quantities From Free Stocks Accepted for Subsidy Bids for Payment-in-Kind (PIK) Certificates and Quantities of PIK Certificates Redeemed From CCC Stocks - July 1, 1958\* Through Oct. 31, 1959



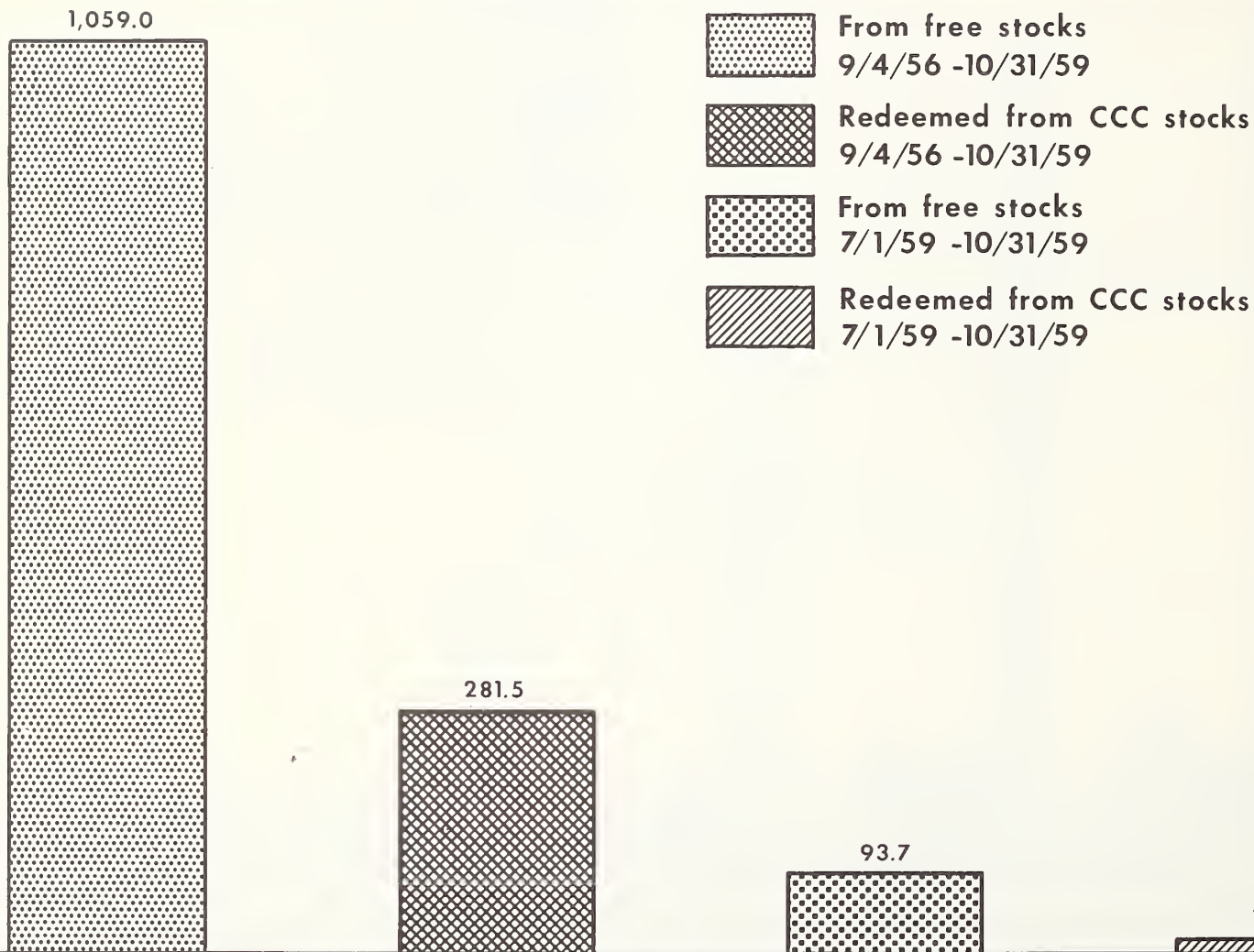
\* CORN FROM MAY 12, 1958.

$\Delta$  DOES NOT INCLUDE RICE CERTIFICATES OR "PRE BUY" SALES FOR WHICH CERTIFICATES ARE TO BE ISSUED

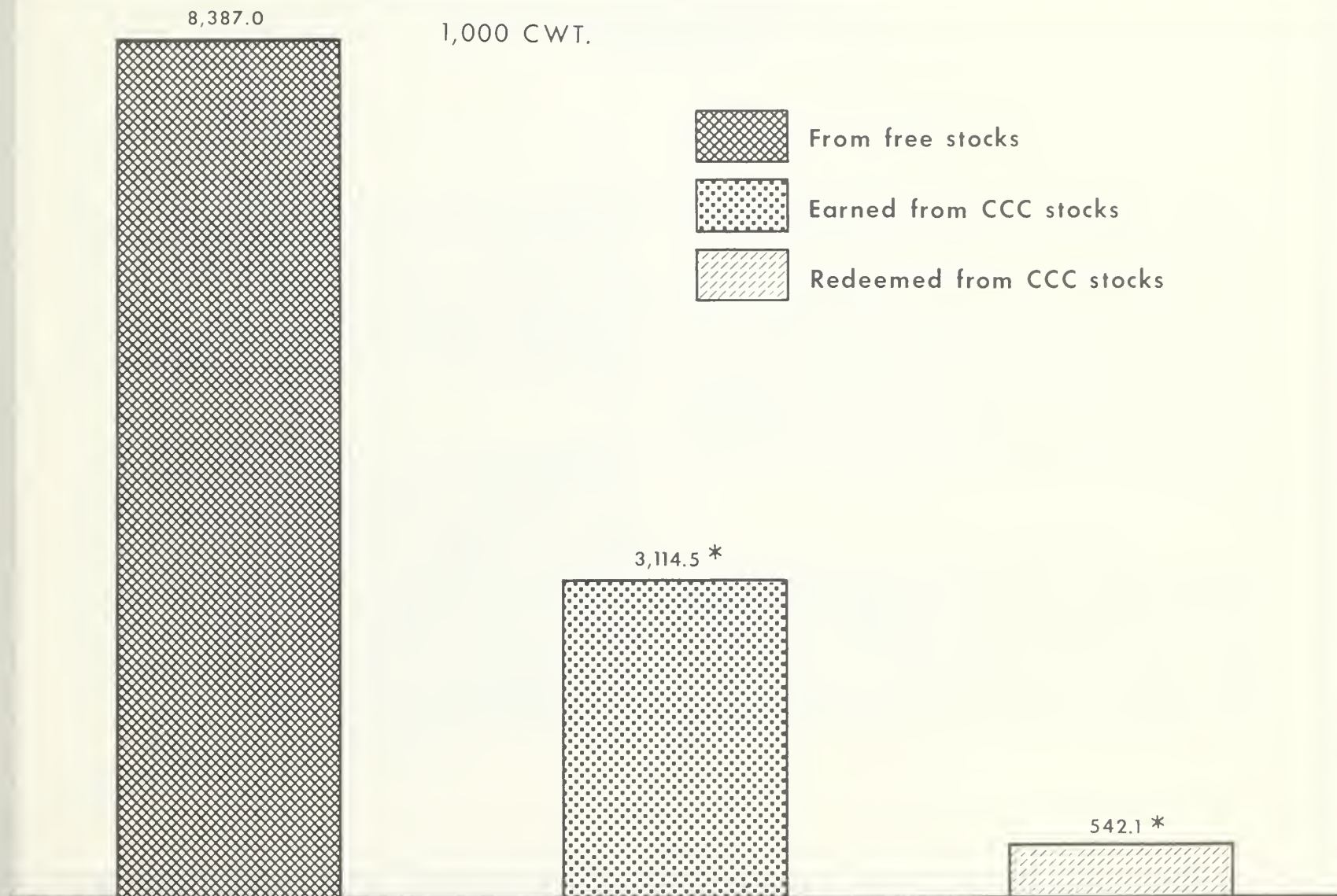
# WHEAT:

Quantities From Free Stocks Earning Payment-in-kind (PIK) Certificates and  
Quantities of Wheat Redeemed by PIK Certificates From CCC,  
Sept. 4, 1956 Through Oct. 31, 1959, and July 1, 1959 Through Oct. 31, 1959

IN MILLION BUSHELS



**RICE:** Quantities From Free Stocks Accepted for Payment-in-kind (PIK) Certificates, Quantities of PIK Certificates Earned, and Certificates Redeemed for Rice From CCC Stocks, Dec. 12, 1958 -Oct. 31, 1959



\* MILLED RICE EQUIVALENT. CERTIFICATES SUBMITTED FOR RICE REDEMPTION ARE ACTUALLY REDEEMED IN ROUGH RICE.



## CCC COTTON PAYMENT-IN-KIND PROGRAM (Upland Cotton Only)

The purpose of the cotton payment-in-kind program is similar in one respect to the PIK programs for grains, that is to keep U.S. cotton in a competitive price position in world markets. It differs from the PIK program for grains in the emphasis upon drawing from free stocks (stocks which have not been in CCC inventory or under loan to CCC). Under the cotton PIK program, cotton exported may be cotton drawn from free stocks or cotton which has previously been purchased for unrestricted use from CCC. During the 1959-60 marketing year, as a result of its beginning inventory and the Choice A purchase program, CCC will own a major percentage of U.S. cotton stocks. It is therefore logical to assume that a comparable percentage of total exports will come from CCC stocks rather than free stocks.

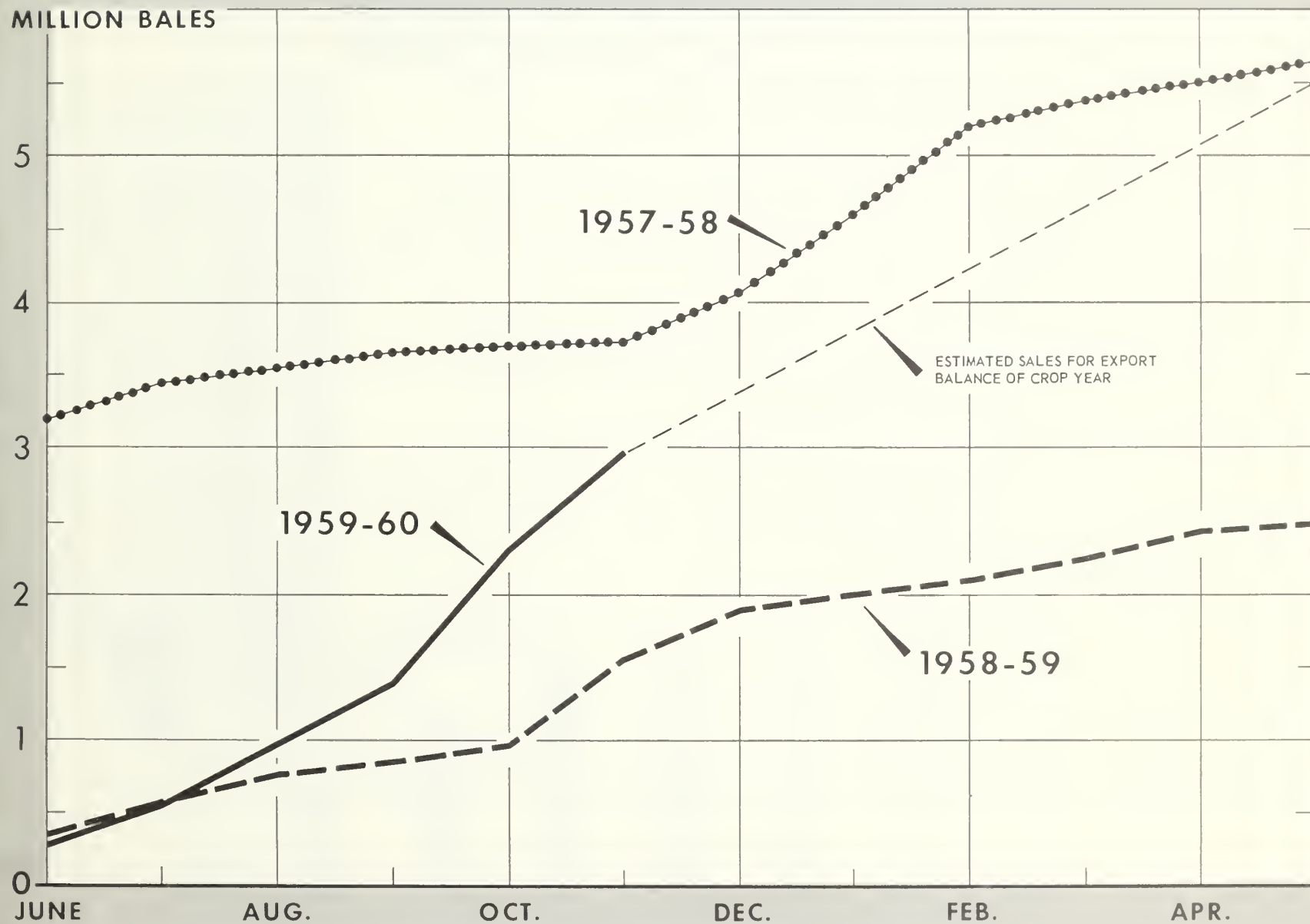
Exporters of cotton produced in the U.S. may apply for export payments in the form of transferable certificates which may be used in purchasing cotton from CCC for unrestricted use (domestic or export). These certificates are not accepted for payment under certain special sales of reclassified cotton. Exporters must register export sales with CCC on the dates of such sales and, upon exporting cotton under such sales, will be eligible to receive

export payments at the payment rates in effect on the dates of the sales. Exporters may also register consignments and receive export payments on the cotton exported under such consignments at the payment rates in effect on the dates of registration. The current export payment rate is 8¢ per pound, but is subject to change without prior notice. Upon submission of evidence of exportation and an application for payment, CCC issues a transferable certificate having a face value equal to the gross weight of the cotton exported times the applicable payment rate.

Cotton may be purchased under the CCC credit program in accordance with GSM-1, Revised. If an exporter desires to make a credit purchase of cotton under this announcement, he first obtains the credit approval from the Office of the General Sales Manager. After obtaining such approval, the exporter submits a bid under the CCC unrestricted sales program conducted by the New Orleans Commodity Office and settlement with regard to purchase is made under the cotton sales announcement CN-EX-8. The same procedure applies to cotton acquired from CCC for barter, except that barter contracts are negotiated with the Barter and Stockpiling Division in place of obtaining a credit approval from the Office of the General Sales Manager.



# UPLAND COTTON: Cumulative Quantities Sold for Export by Crop Year 1957-58—1959-60



# COMPETITIVE BID PROGRAMS FOR EXPORTS

## SECTION

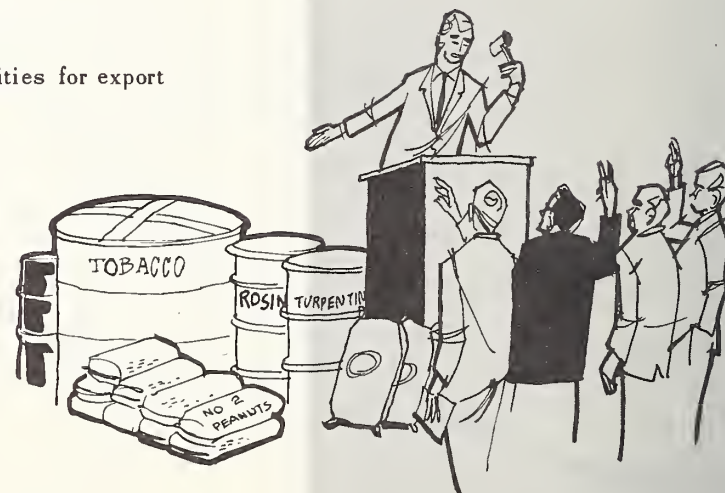
Although the major commodities in CCC inventory are covered by payment-in-kind programs, CCC still sells for export a number of commodities on competitive bid. During the past year, these commodities included peanuts, tung oil, gum rosin, turpentine, tobacco, dry edible beans, milled rice, and cottonseed oil.

Of the above commodities, during the past year CCC sold or disposed of all of its stocks of cottonseed oil, turpentine, tobacco,<sup>1</sup> and dry edible beans. In addition, other commodities sold at fixed prices have also been moved or sold out of inventories. These commodities are butter, non-fat dry milk, honey, and flaxseed.

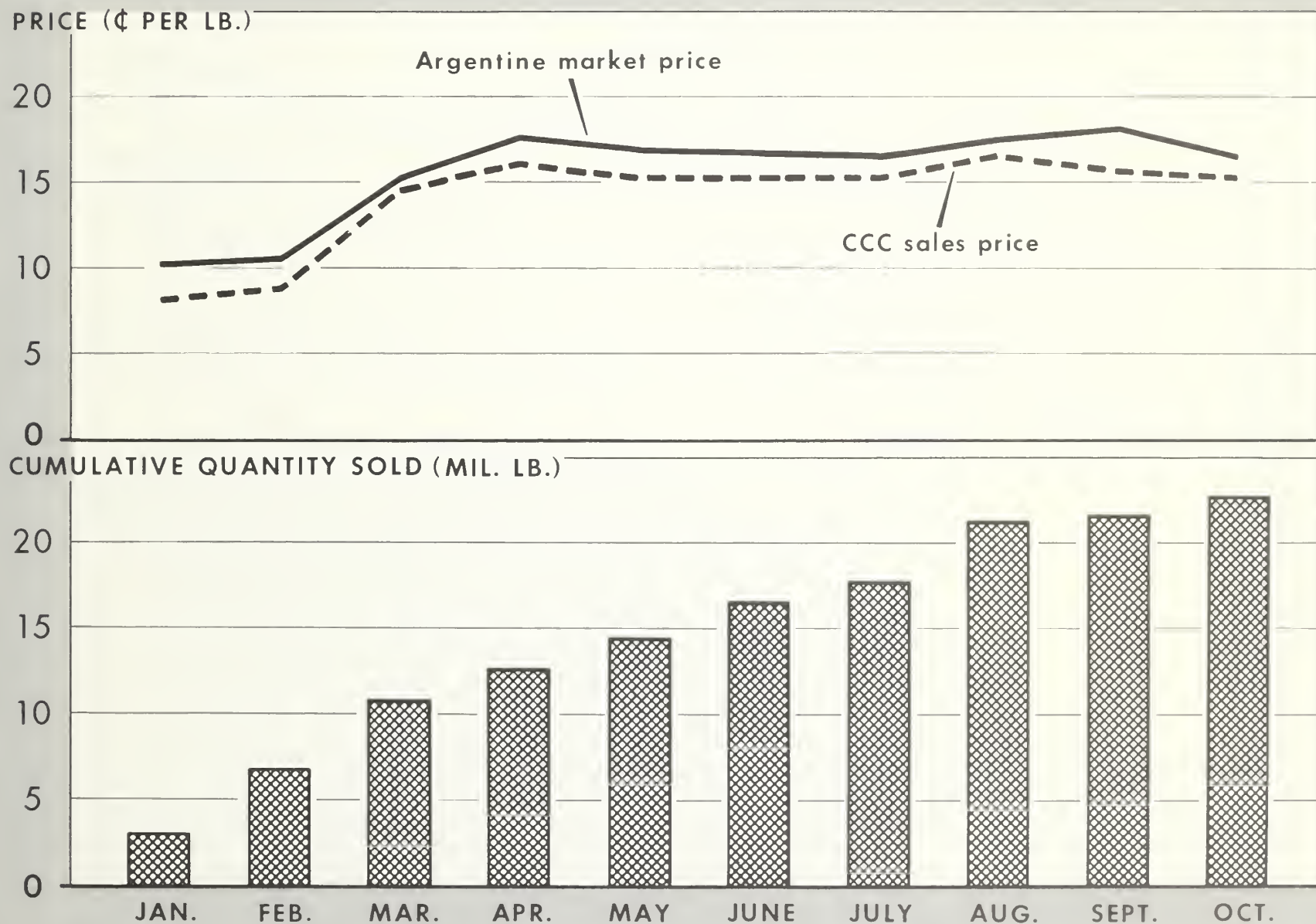
Although CCC is presently out of the afore-mentioned commodities, undoubtedly additional stocks will be acquired under current price support programs.

There are included in this section three charts illustrating the sale of commodities for export under competitive bids or on a fixed price basis.

<sup>1</sup>Tobacco in inventory; CCC still has approximately \$540 million worth of tobacco under loan.

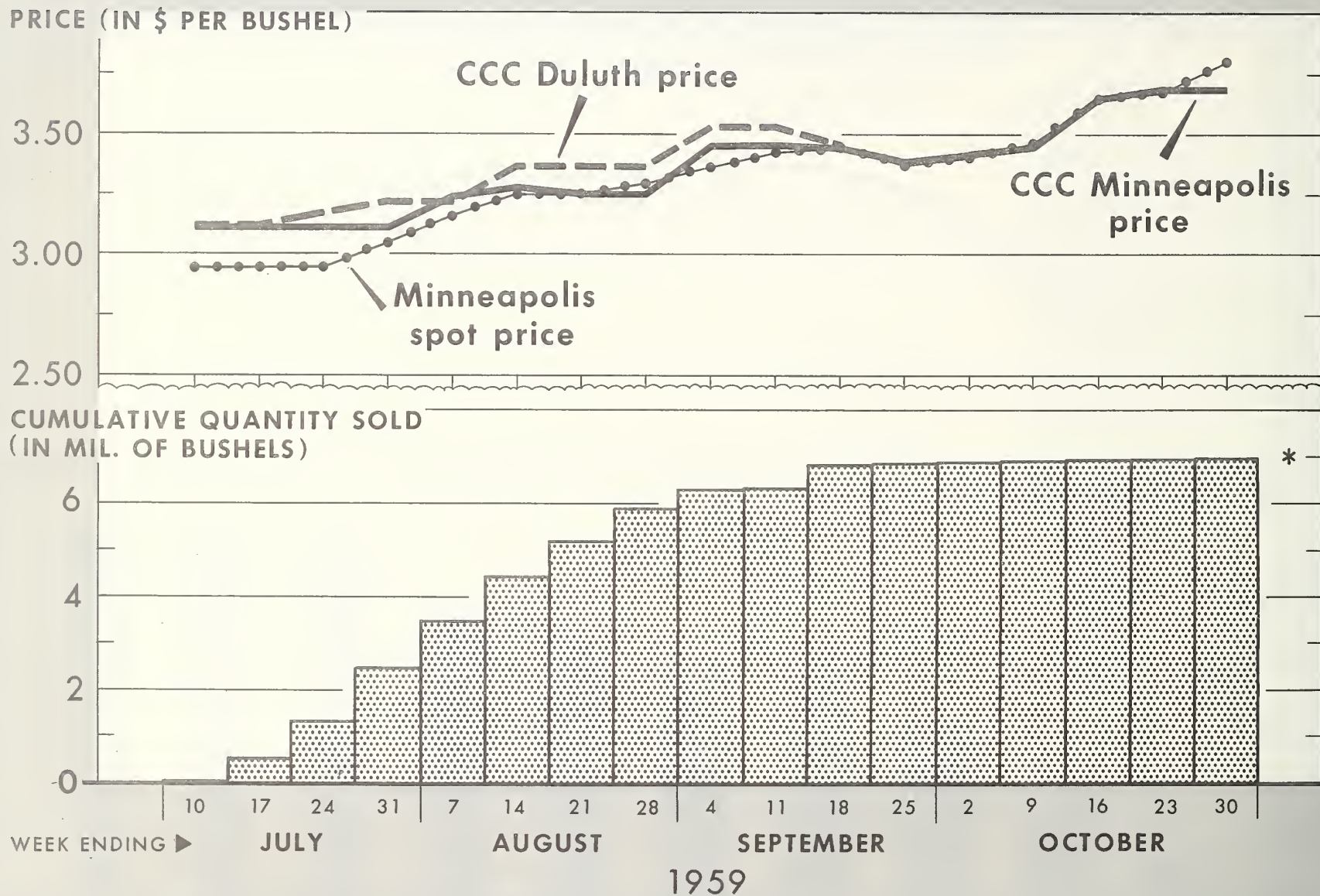


# **TUNG OIL:** Monthly Average CCC Ex-Store (U. S.) Sales Prices, Monthly Average Market Prices of Argentine Tung Oil Ex-Tank Rotterdam and of CCC Sales for Export Jan. Through Oct. 1959



# FLAXSEED: CCC Sales Prices Basis #1 Grade on Track, and Minneapolis Spot Market Prices

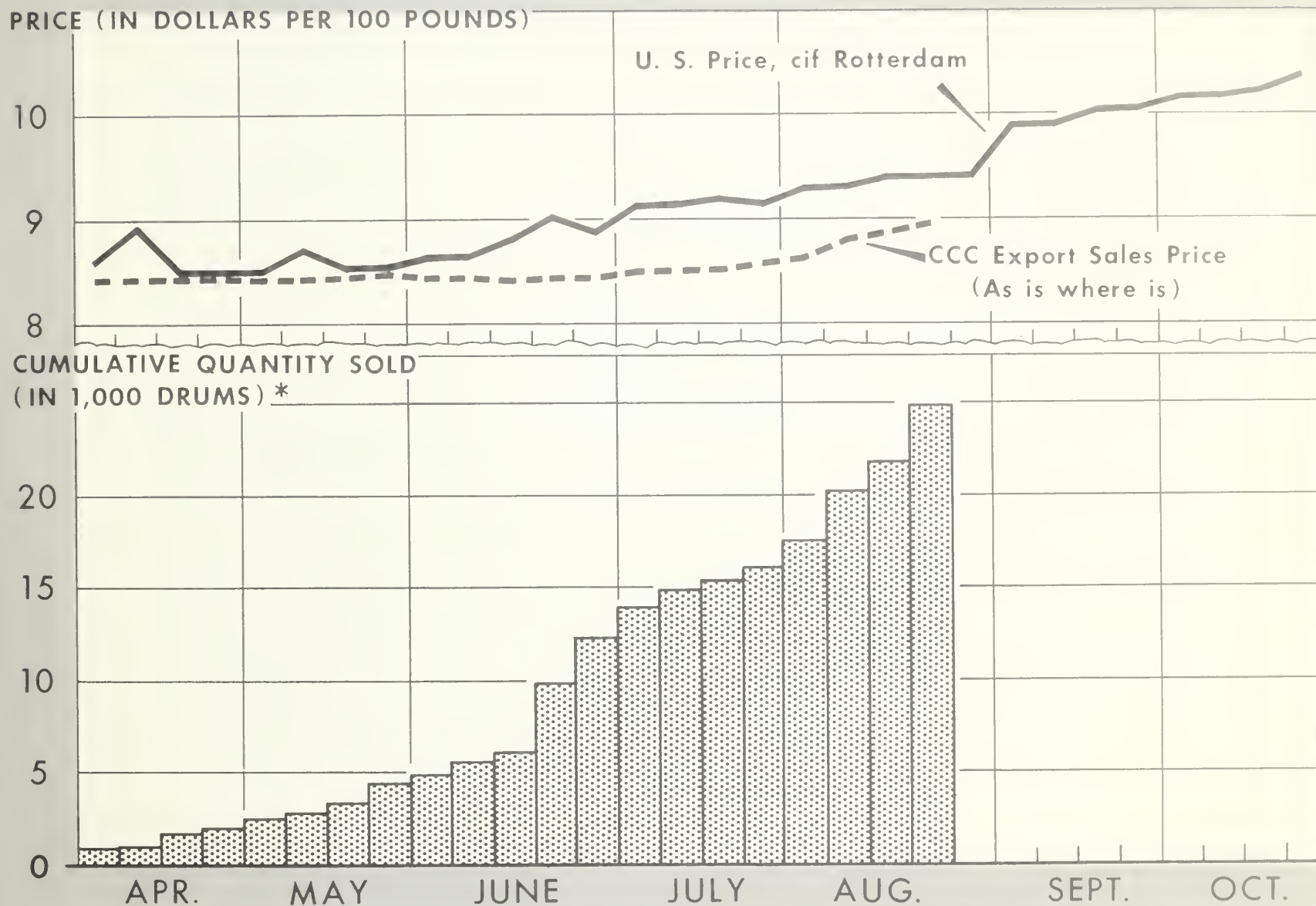
#1 Grade on Track and CCC Sales for Domestic Crushing and Export





# ROSIN:

Water White Grade, CCC Export Sales Prices, as is where is, U.S. Prices cif Rotterdam and cumulative quantity sold April 6 through Oct. 19, 1959 ▲



\* 514 POUNDS PER DRUM

▲ WATER WHITE GRADE ROSIN CONSTITUTED 14% OF CCC'S TOTAL STOCKS OF ROSIN.





